2009/10

INTERIM REPORT

國浩集團有限公司
Guoco Group Limited
A Member of the Hong Leong Group
(Stock Code: 53)

CONTENTS

*Please visit our website at **http://www.guoco.com** and click into "INVESTOR RELATIONS" and "Annual and Interim Reports" to view the on-line version of this Interim Report.*

CORPORATE INFORMATION
(As at 10 March 2010)

Board of Directors

Executive Directors
Quek Leng Chan – *Executive Chairman*
Kwek Leng Hai – *President, CEO*
Tan Lim Heng
Ding Wai Chuen

Non-executive Director
Kwek Leng San

Independent Non-executive Directors
Sat Pal Khattar
Volker Stoeckel
Roderic N. A. Sage

Board Audit Committee

Sat Pal Khattar — *Chairman*
Volker Stoeckel
Roderic N. A. Sage

Board Remuneration Committee

Quek Leng Chan — *Chairman*
Volker Stoeckel
Roderic N. A. Sage

Chief Financial Officer

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

Interim results announcement	1 March 2010
Closure of Register of Members	16 March 2010 to 19 March 2010
Interim dividend of HK$0.80 per share payable on	22 March 2010

FINANCIAL RESULTS

The unaudited consolidated profit attributable to shareholders for the six months ended 31 December 2009, after taxation and non-controlling interests, amounted to HK$1,063 million as compared to a loss of HK$2,505 million for the previous corresponding period. Earnings per share amounted to HK$3.27.

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

- property operations of HK$467 million;
- hospitality and leisure business of HK$171 million;
- total net exchange gain (including foreign exchange contracts) of HK$459 million;
- total interest income of HK$155 million;
- total realised and unrealised gain on trading financial assets and derivative financial instruments of HK$121 million;
- dividend income of HK$84 million; and
- contributions from associates and jointly controlled entities of HK$213 million.

Revenue decreased by 25% to HK$3.4 billion. The decrease was mainly attributable to the decrease in property development and investment sector of HK$715 million (29%), principal investment sector of HK$251 million (57%) and hospitality and leisure sector of HK$165 million (11%).

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK$0.80 per share amounting to approximately HK$263 million (2008/09 interim dividend: HK$0.50 per share amounting to approximately HK$165 million) for the financial year ending 30 June 2010 which will be payable on 22 March 2010 to the shareholders whose names appear on the Register of Members on 19 March 2010.

REVIEW OF OPERATIONS

Principal Investment

Global markets and major world economies continued their recoveries. Rallies in asset prices, which started in the first half of 2009, gained further momentum as the year progressed on the back of massive monetary and fiscal stimuli as well as unprecedented recapitalization in the Western banking sector. The rebound was very broad based despite ongoing concerns such as persistent high unemployment, weak property markets and emergence of government debt woes in several countries. On the other hand, emerging economies such as China exhibited remarkable resilience and contributed greatly to this milder-than-expected global downturn.

We took advantage of market opportunities in the past few months as they arose. We increased the size of our investments during periods of price weakness. Our focus remained on identifying under-valued investments for their long-term recovery potential. Core positions were established in a number of key markets concentrating on some battered stocks.

The treasury team continued to actively manage the currency overlays of our equity investments in various countries and adopted a balanced portfolio approach in diversifying our liquid funds. This has contributed foreign exchange gains to group results for the period.

Property Development and Investment

GuocoLand Limited ("GLL") — currently 65.2% controlled by Guoco

For the half year ended 31 December 2009, GLL reported a net profit of S$72.8 million, compared to a net loss of S$2.0 million in the previous corresponding period. Gross profit increased from S$51.8 million to S$144.9 million. Revenue and cost of sales were higher at S$459.4 million and S$314.6 million respectively.

REVIEW OF OPERATIONS (Cont'd)

Property Development and Investment (Cont'd)

GuocoLand Limited ("GLL") — currently 65.2% controlled by Guoco (Cont'd)

The higher profit was mainly due to the strong performance of property development projects in China, especially from Ascot Park in Nanjing and Changfeng project in Shanghai. Following the successful launch of Phase 1 in Ascot Park, GLL launched all remaining units and received an overwhelming response from buyers. The 1,112 unit development is fully sold. In Shanghai, GLL has sold about 70% of SOHO units in Changfeng project. GLL also sold an office block in this project for RMB1 billion in November 2009. Both Phase 1 in Ascot Park and the SOHO units in Changfeng project were handed over to buyers in December 2009.

In Singapore, GLL launched Sophia Residence and Elliot At The East Coast. Strong sales of more than 90% and 70% were registered in both projects respectively.

Administrative expenses increased by 26% to S$22.8 million, mainly due to higher staff expenses.

Other expenses decreased from S$30.6 million to S$8.9 million. The previous corresponding period included a net foreign exchange loss of S$22.1 million arising primarily from the translation of USD borrowings.

Finance costs increased by 24% to S$18.6 million mainly due to increase in loans and borrowings and cessation of capitalisation of interest after completion of development properties.

Share of profit after tax from associates decreased by 65% to S$1.6 million due to lower revaluation gains on investment properties recognised by GLL's associate, Tower Real Estate Investment Trust.

Income tax expense increased from S$5.8 million to S$33.1 million primarily due to higher tax on profit contribution from development projects in China.

As economic conditions in Asia continue to improve, private home sales in Singapore and China rebounded strongly in the second half of 2009. However, concern has been raised on potential overheating of economies and possible asset price bubbles. GLL has enjoyed healthy sales in its property development projects in Singapore and China. As part of the on-going review of its strategies, GLL will continuously source for new land for development, and prime its launch-ready projects for sale at the right time.

Hospitality and Leisure Business

GuocoLeisure Limited ("GL") — currently 65.5% controlled by Guoco

GL recorded a profit after tax for the half year ended 31 December 2009 at US$17.5 million, a decrease of 39.9% as compared to US$29.1 million in the previous corresponding period.

Revenues stood at US$170.8 million, which was 15.4% below that of the previous corresponding period. This was mainly due to lower revenues from the gaming and property development segments. The other component of the decline in revenues was as a result of lower GBP against USD as compared to the previous corresponding period.

Income from the Bass Strait oil and gas royalty in Australia reduced by 10% principally due to lower royalties received as a result of lower production and lower average crude oil and gas prices for the period under review.

Direct costs reduced by 12.7% in tandem with the decline in revenue for the period.

The reductions in personnel expenses and other operating expenses were chiefly due to the effect of cost rationalisation efforts undertaken in the hotel business in the previous financial year.

Net financing costs were lower for the current period predominantly attributable to lower outstanding short-term borrowings.

GL established presence in Asia by expanding its hotel management business under the Thistle brand into two hotels belonging to GLL in Malaysia. GL will continue to work with GLL in relation to the hotel components of GLL's development projects in China under the Guoman and Thistle brands.

REVIEW OF OPERATIONS (Cont'd)

Financial Services

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

HLFG recorded a profit before tax of RM604.1 million for the half year ended 31 December 2009 as compared to RM652.3 million in the previous corresponding period, a decrease of RM48.2 million or 7.4%. This was mainly due to lower contribution from commercial banking division.

The commercial banking division recorded a profit before tax of RM580.1 million for the period, a decrease of RM75.9 million as compared to RM656.0 million in the previous corresponding period. The decrease was due to lower net interest income and non-interest income as well as higher operating expenses. This was however mitigated by higher share of profit from associate, higher net income from Islamic banking business and writeback of impairment provision.

The investment banking division recorded a higher profit before tax of RM11.9 million for the period compared to RM2.9 million in the previous corresponding period. This was due to increased income from stockbroking.

The insurance division recorded a profit before tax of RM29.8 million for the period as compared to RM15.6 million in the previous corresponding period, an increase of RM14.2 million. The increase is mainly from lower claims incurred and a writeback of provision for impairment.

The balance of our financial year ahead is expected to remain challenging due to increased competition and a high degree of uncertainty and volatility in the global markets. Along with tightening risk controls and maintaining asset quality and strengthening balance sheet, HLFG will continue to prudently grow its core financial businesses. It will stay focused on enhancing competitive position and increasing market share in the targeted customer segments in various financial services sectors.

Group Financial Commentary

Capital and Finance

— The Group's consolidated total equity (including non-controlling interests) as at 31 December 2009 amounted to HK$49.7 billion, an increase of 4% compared to the total equity as at 30 June 2009.

— The Group's consolidated total equity attributable to shareholders of the Company as at 31 December 2009 amounted to HK$41.6 billion, an increase of HK$1.9 billion compared to the figure as at 30 June 2009.

Total Cash and Liquid Funds

As at 31 December 2009, the Group had net liquid funds of HK$5.7 billion, comprising total cash balance of HK$12.6 billion and marketable securities of HK$12.1 billion and after netting off the total group borrowings of HK$19.0 billion.

The Group's total cash balance and marketable securities were mainly in USD (30%), RM (18%), SGD (13%) and AUD (9%).

Total Borrowings

The decrease in total borrowings from HK$19.5 billion as at 30 June 2009 to HK$19.0 billion as at 31 December 2009 was primarily due to repayment of loans by GLL and GL. The Group's total borrowings are mainly denominated in SGD (63%), GPB (19%) and RM (10%).

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

	Bank Loans HK$'M	Mortgage debenture stock HK$'M	Convertible bonds HK$'M	Other borrowings HK$'M	Total HK$'M
Within 1 year or on demand	4,455	—	1,919	858	7,232
After 1 year but within 2 years	2,007	—	—	—	2,007
After 2 years but within 5 years	1,423	2,397	1,912	—	5,732
After 5 years	3,236	746	—	—	3,982
	6,666	3,143	1,912	—	11,721
	11,121	3,143	3,831	858	18,953

REVIEW OF OPERATIONS (Cont'd)

Group Financial Commentary (Cont'd)

Total Borrowings (Cont'd)

Bank loans and mortgage debenture stock are secured by the following:

- legal mortgages on investment properties with an aggregate book value of HK$382.3 million;
- legal mortgages on development properties with an aggregate book value of HK$12.2 billion; and
- legal mortgages on property, plant and equipment with an aggregate book value of HK$5.0 billion.

Committed borrowing facilities available to Group companies and not yet drawn as at 31 December 2009 amounted to approximately HK$6.3 billion.

Interest Rate Exposure

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

As at 31 December 2009, approximately 59% of the Group's borrowings were at floating rates and the remaining 41% were at fixed rates. The Group had interest rate swaps with outstanding notional amount of HK$1.2 billion.

Foreign Currency Exposure

The Group from time to time enters into foreign exchange contracts, which are primarily over-the-counter derivatives, principally for hedging foreign currency exposures or for diversifying its deposits. The Group may also raise foreign currency loans to hedge its foreign currency investments.

As at 31 December 2009, there were outstanding foreign exchange contracts amounting to HK$9.6 billion for hedging of foreign currency share investments and bank borrowings.

Equity Price Exposure

The Group maintains a diversified investment portfolio which comprises listed and unlisted equities. Investments are classified as "trading" or "strategic". Equity investments are subject to asset allocation limits.

Contingent Liabilities

Details are encapsulated in Note 17 "Contingent Liabilities" to the Unaudited Interim Financial Report in pages 28 to 30.

HUMAN RESOURCES AND TRAINING

The Group, including its subsidiaries in Hong Kong and overseas, employed approximately 3,000 employees as at 31 December 2009. 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.

OUTLOOK

Underpinned by continued economic recovery, low inflation and lower global interest rates as well as ample liquidity, the macro investment environment has improved from twelve months ago. However, the economic climate remains fraught with uncertainty. The global economy has responded positively to government stimuli but has remained heavily dependent on it. A number of global imbalances are still unresolved and speculation when these will end can trigger market volatility. As such, we will continue to exercise prudence in managing our core businesses so as to remain resilient to take on new opportunities when they arise.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

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

During the period, the Company has complied with the HKEx Code, save the following:

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

2. for the period from 1 July 2009 and up to 31 August 2009, the Board Remuneration Committee ("BRC") comprised Mr Quek Leng Chan as Chairman and Messrs Volker Stoeckel and Ding Wai Chuen as members. Mr Volker Stoeckel is an independent non-executive director ("INED") of the Company. As Mr Ding Wai Chuen, formerly an INED, was re-designated as an executive director of the Company with effect from 1 September 2009 and also ceased to be a BRC member on the same day, the Company technically deviated from the requirement as set out in the CGP Code requiring a majority of the BRC members being INEDs. Following the appointment of Mr Roderic N. A. Sage as an INED of the Company and a BRC member on 2 October 2009, the aforesaid requirement has been complied with. The BRC did not hold any meeting or pass any resolution during the period of deviation.

Model Code for Securities Transactions by Directors

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 regarding directors' securities transactions.

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

Minimum Numbers of Independent Non-executive Directors ("INEDs") and Board Audit Committee ("BAC") Members

For the period from 1 July 2009 and up to 31 August 2009, the INEDs of the Company and the BAC members were Messrs Sat Pal Khattar, Volker Stoeckel and Ding Wai Chuen. As Mr Ding Wai Chuen was re-designated as an executive director of the Company with effect from 1 September 2009, the numbers of INED and BAC member of the Company fell below the minimum number requirements under Rules 3.10(1) and 3.21 of the Listing Rules respectively. Following the appointment of Mr Roderic N. A. Sage as an INED of the Company and a BAC member on 2 October 2009, the aforesaid rules have been complied with. The BAC did not hold any meeting or pass any resolution during the period of non-compliance.

CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2009 — Unaudited

	Note	**2009 US$'000**	2008 US$'000	**2009 HK$'000 (Note 19)**	2008 HK$'000 (Note 19)
Turnover	2 & 3	**805,337**	1,157,763	**6,245,268**	8,972,605
Revenue	2 & 3	**436,195**	580,581	**3,382,627**	4,499,474
Cost of sales		**(233,094)**	(386,649)	**(1,807,609)**	(2,996,510)
Other attributable costs		**(10,050)**	(10,411)	**(77,936)**	(80,685)
		193,051	183,521	**1,497,082**	1,422,279
Other revenue	4(a)	**29,406**	30,099	**228,039**	233,266
Other net income/(losses)	4(b)	**77,975**	(430,323)	**604,684**	(3,334,982)
Administrative and other operating expenses		**(121,015)**	(91,083)	**(938,454)**	(705,889)
Profit/(loss) from operations before finance cost		**179,417**	(307,786)	**1,391,351**	(2,385,326)
Finance cost	2(b) & 5(a)	**(32,411)**	(32,488)	**(251,342)**	(251,780)
Profit/(loss) from operations	2	**147,006**	(340,274)	**1,140,009**	(2,637,106)
Share of profits of associates	5(c)	**25,915**	27,296	**200,967**	211,543
Share of profits less losses of jointly controlled entities	5(c)	**1,504**	1,172	**11,663**	9,083
Profit/(loss) for the period before taxation	2 & 5	**174,425**	(311,806)	**1,352,639**	(2,416,480)
Taxation	6	**(17,471)**	(2,023)	**(135,485)**	(15,678)
Profit/(loss) for the period		**156,954**	(313,829)	**1,217,154**	(2,432,158)
Attributable to:					
Shareholders of the Company		**137,096**	(323,171)	**1,063,158**	(2,504,558)
Non-controlling interests		**19,858**	9,342	**153,996**	72,400
Profit/(loss) for the period		**156,954**	(313,829)	**1,217,154**	(2,432,158)
Earnings/(loss) per share		**US$**	US$	**HK$**	HK$
Basic	8	**0.42**	(0.99)	**3.27**	(7.71)
Diluted	8	**0.42**	(0.99)	**3.27**	(7.71)
		US$'000	US$'000	**HK$'000**	HK$'000
Interim dividend	7	**33,945**	21,229	**263,241**	164,526

The notes on pages 13 to 31 form part of this interim financial report.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2009 — Unaudited

	2009 US$'000	2008 US$'000	2009 HK$'000 (Note 19)	2008 HK$'000 (Note 19)
Profit/(loss) for the period	**156,954**	(313,829)	**1,217,154**	(2,432,158)
Other comprehensive income				
Exchange differences on translation of the financial statements of foreign subsidiaries, associates and jointly controlled entities	**(2,437)**	(320,511)	**(18,899)**	(2,483,944)
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	**(3,095)**	10,865	**(24,001)**	84,203
Changes in fair value of available-for-sale financial assets	**161,605**	(79,723)	**1,253,223**	(617,849)
Transfer to profit or loss on disposal of available-for-sale financial assets	**—**	(646)	**—**	(5,007)
Valuation released upon disposal of properties	**—**	(927)	**—**	(7,184)
Share of other comprehensive income of subsidiaries and associates	**478**	185	**3,707**	1,433
Other comprehensive income/(loss) for the period, net of tax	**156,551**	(390,757)	**1,214,030**	(3,028,348)
Total comprehensive income/(loss) for the period	**313,505**	(704,586)	**2,431,184**	(5,460,506)
Total comprehensive income attributable to:				
Shareholders of the Company	**295,037**	(574,164)	**2,287,967**	(4,449,742)
Non-controlling interests	**18,468**	(130,422)	**143,217**	(1,010,764)
	313,505	(704,586)	**2,431,184**	(5,460,506)

The notes on pages 13 to 31 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	Note	At 31 December 2009 (Unaudited) US$'000	At 30 June 2009 (Audited) US$'000	At 31 December 2009 (Unaudited) HK$'000 (Note 19)	At 30 June 2009 (Audited) HK$'000 (Note 19)
NON-CURRENT ASSETS					
Fixed assets	9				
— Investment properties		**326,650**	280,057	**2,533,122**	2,170,470
— Other property, plant and equipment		**1,273,249**	1,353,787	**9,873,855**	10,491,985
Interest in associates		**414,170**	387,080	**3,211,826**	2,999,909
Interest in jointly controlled entities		**103,522**	99,163	**802,798**	768,523
Available-for-sale financial assets		**798,318**	434,356	**6,190,836**	3,366,302
Deferred tax assets		**3,062**	3,075	**23,745**	23,832
Intangible assets		**168,102**	161,184	**1,303,606**	1,249,192
Goodwill		**34,036**	33,903	**263,944**	262,752
		3,121,109	2,752,605	**24,203,732**	21,332,965
CURRENT ASSETS					
Development properties	10	**2,797,411**	2,960,825	**21,693,503**	22,946,690
Properties held for sale		**248,805**	262,567	**1,929,445**	2,034,921
Trade and other receivables	11	**378,636**	250,665	**2,936,265**	1,942,679
Trading financial assets		**1,558,623**	359,864	**12,086,888**	2,788,982
Cash and short term funds		**1,624,151**	2,944,242	**12,595,047**	22,818,170
		6,607,626	6,778,163	**51,241,148**	52,531,442
CURRENT LIABILITIES					
Trade and other payables	12	**720,557**	702,810	**5,587,811**	5,446,848
Current portion of bank loans and other borrowings	13	**932,574**	740,390	**7,231,971**	5,738,097
Taxation		**46,247**	28,044	**358,639**	217,344
Provisions and other liabilities		**1,212**	1,622	**9,399**	12,571
		1,700,590	1,472,866	**13,187,820**	11,414,860
NET CURRENT ASSETS		**4,907,036**	5,305,297	**38,053,328**	41,116,582
TOTAL ASSETS LESS CURRENT LIABILITIES		**8,028,145**	8,057,902	**62,257,060**	62,449,547
NON-CURRENT LIABILITIES					
Non-current portion of bank loans and other borrowings	14	**1,511,433**	1,777,627	**11,720,936**	13,776,787
Provisions and other liabilities		**8,899**	10,750	**69,010**	83,314
Deferred tax liabilities		**102,177**	105,771	**792,367**	819,736
		1,622,509	1,894,148	**12,582,313**	14,679,837
NET ASSETS		**6,405,636**	6,163,754	**49,674,747**	47,769,710
CAPITAL AND RESERVES					
Share capital	15	**164,526**	164,526	**1,275,874**	1,275,093
Reserves		**5,200,917**	4,956,961	**40,332,332**	38,416,944
Equity attributable to shareholders of the Company		**5,365,443**	5,121,487	**41,608,206**	39,692,037
Non-controlling interests		**1,040,193**	1,042,267	**8,066,541**	8,077,673
TOTAL EQUITY		**6,405,636**	6,163,754	**49,674,747**	47,769,710

The notes on pages 13 to 31 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2009 — Unaudited

	Attributable to the Shareholders of the Company												
	Share capital US$'000	Share premium US$'000	Capital and other reserves US$'000	Contributed surplus US$'000	ESOP reserve US$'000	Share option reserve US$'000	Exchange translation reserve US$'000	Fair value reserve US$'000	Revaluation reserve US$'000	Retained profits US$'000	Total US$'000	Non-controlling interests US$'000	Total Equity US$'000
At 1 July 2009	**164,526**	**10,493**	**(26,685)**	**2,704**	**(41,104)**	**4,609**	**128,845**	**31,693**	**8,669**	**4,837,737**	**5,121,487**	**1,042,267**	**6,163,754**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**137,096**	**137,096**	**19,858**	**156,954**
Transfer between reserves	**–**	**–**	**1,733**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,733)**	**–**	**–**	**–**
Exchange differences on translation of the financial statements of foreign subsidiaries, associates and jointly controlled entities	**–**	**–**	**(2,122)**	**–**	**25**	**144**	**(8,228)**	**(30)**	**121**	**–**	**(10,090)**	**7,653**	**(2,437)**
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	**–**	**–**	**–**	**–**	**–**	**–**	**6,723**	**–**	**–**	**–**	**6,723**	**(9,818)**	**(3,095)**
Changes in fair value of available-for-sale financial assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**160,830**	**–**	**–**	**160,830**	**775**	**161,605**
Share of other comprehensive income of subsidiaries and associates	**–**	**–**	**478**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**478**	**–**	**478**
Total comprehensive income for the period	**–**	**–**	**89**	**–**	**25**	**144**	**(1,505)**	**160,800**	**121**	**135,363**	**295,037**	**18,468**	**313,505**
Equity settled share-based transaction	**–**	**–**	**–**	**–**	**–**	**777**	**–**	**–**	**–**	**–**	**777**	**415**	**1,192**
Transfer of shares to employees upon exercise of share options by a subsidiary	**–**	**–**	**9,178**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**9,178**	**(956)**	**8,222**
Acquisition of additional interests in subsidiaries	**–**	**–**	**1,872**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,872**	**(4,347)**	**(2,475)**
Final dividend paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(62,908)**	**(62,908)**	**(15,654)**	**(78,562)**
At 31 December 2009	**164,526**	**10,493**	**(15,546)**	**2,704**	**(41,079)**	**5,530**	**127,340**	**192,493**	**8,790**	**4,910,192**	**5,365,443**	**1,040,193**	**6,405,636**
At 1 July 2008	164,526	10,493	(37,442)	2,704	(40,846)	4,441	250,349	(9,271)	9,908	4,926,073	5,280,935	1,213,186	6,494,121
Loss for the period	–	–	–	–	–	–	–	–	–	(323,171)	(323,171)	9,342	(313,829)
Transfer between reserves	–	–	1,386	–	–	–	–	–	–	(1,386)	–	–	–
Exchange differences on translation of the financial statements of foreign subsidiaries, associates and jointly controlled entities	–	–	4,098	–	(259)	(221)	(165,089)	10	(214)	–	(161,675)	(158,836)	(320,511)
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	–	–	–	–	–	–	(8,845)	–	–	–	(8,845)	19,710	10,865
Changes in fair value of available-for-sale financial assets	–	–	–	–	–	–	–	(79,150)	–	–	(79,150)	(573)	(79,723)
Transfer to profit or loss on disposal of available-for-sale financial assets	–	–	–	–	–	–	–	(646)	–	–	(646)	–	(646)
Valuation released upon disposal of properties	–	–	–	–	–	–	–	–	(927)	–	(927)	–	(927)
Share of other comprehensive income of subsidiaries and associates	–	–	250	–	–	–	–	–	–	–	250	(65)	185
Total comprehensive loss for the period	–	–	5,734	–	(259)	(221)	(173,934)	(79,786)	(1,141)	(324,557)	(574,164)	(130,422)	(704,586)
Equity settled share-based transaction	–	–	–	–	–	594	–	–	–	–	594	365	959
Transfer of shares to employees upon exercise of share options by a subsidiary	–	–	2,308	–	–	–	–	–	–	–	2,308	(237)	2,071
Acquisition of additional interests in subsidiaries	–	–	–	–	–	–	–	–	–	–	–	(47,066)	(47,066)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(23,761)	(23,761)
Final dividend paid	–	–	–	–	–	–	–	–	–	(125,745)	(125,745)	–	(125,745)
At 31 December 2008	164,526	10,493	(29,400)	2,704	(41,105)	4,814	76,415	(89,057)	8,767	4,475,771	4,583,928	1,012,065	5,595,993

The notes on pages 13 to 31 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2009 — Unaudited

	2009 US$'000	2008 US$'000
NET CASH USED IN OPERATING ACTIVITIES	**(1,029,803)**	(486,510)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	**2,455**	(41,819)
NET CASH USED IN FINANCING ACTIVITIES	**(250,720)**	(190,577)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(1,278,068)**	(718,906)
EFFECT OF FOREIGN EXCHANGE RATES	**(42,023)**	(7,177)
CASH AND CASH EQUIVALENTS AS AT 1 JULY	**2,944,242**	3,253,910
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	**1,624,151**	2,527,827
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and short term funds	**1,624,151**	2,527,827

The notes on pages 13 to 31 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

(a) The interim financial report has been prepared in accordance with the requirements of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2008/09 annual financial statements, except as described in 1(b) below.

(b) The HKICPA has issued certain new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), which term collectively includes HKASs and Interpretations, that are first effective or available for early adoption for the current accounting period of the Group. The adoption of these new and revised HKFRSs has no material impact on the results and financial position of the Group. In addition, the amendments to HKFRS 7, Financial instruments: Disclosures — Improving Disclosures about Financial Instruments do not contain any additional disclosure requirements specifically applicable to the interim financial report. The impact of the changes to the HKFRSs on the interim report is as follows:

— HKAS 1 (Revised 2007), Presentation of Financial Statements

As a result of the adoption of HKAS 1 (Revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expenses are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expenses or net assets for any period presented.

— HKFRS 8, Operating Segments

HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is consistent with internal reporting provided to the Group's most senior executive management (see Note 2). Corresponding amounts have been provided on a basis consistent with the revised segment information.

— Improvements to HKFRSs 2008: Amendments to HKAS 40, Investment Property

As a result of amendments to HKAS 40, investment property which is under construction will be carried at fair value at the earlier of when the fair value first becomes reliably measurable and the date of completion of the property. Any gain or loss will be recognised in profit or loss, consistent with the policy adopted for all other investment properties carried at fair value. Upon adoption of the amendment with effect from 1 July 2009, the Group has reclassified certain properties which are currently under development for future use as investment properties from property, plant and equipment to investment properties.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (Cont'd)

(b) — Amendments to HKAS 27 (Revised) — Consolidated and Separate Financial Statements

(i) Cost of an investment in a subsidiary, jointly controlled entity or associate

The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 July 2009, all dividends receivable from subsidiaries, associates and jointly controlled entities, whether out of pre- or post-acquisition profits, will be recognised in the company's profit or loss and the carrying amount of the investment in the investee will not be reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividend. In such cases, in addition to recognising dividend income in profit or loss, the company would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods. Accounts of previous periods have not been restated.

(ii) Accounting for acquisition of non-controlling interests

As a result of the amendments to HKAS 27 (Revised), the acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Previously, goodwill arising on the acquisition of a non-controlling interest in a subsidiary was recognised, and represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of exchange. The change in accounting policy was applied prospectively.

— Amendments to HKFRS 3 (Revised) — Business Combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

For acquisitions on or after 1 July 2009, the Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognised amount of the identifiable net assets, at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (Cont'd)

(c) 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 standard and new interpretation is expected to be in the period of initial application.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 2, Share-based Payment — Group Cash-settled Share-based Payment Transactions	1 January 2010
Amendment to HKAS 32, Classification of Rights Issues	1 February 2010
HK(IFRIC) — Int 19, Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
HKAS 24 (Revised), Related Party Disclosures	1 January 2011
Amendments to HK(IFRIC) — Int 14, Prepayments of a Minimum Funding Requirement	1 January 2011
HKFRS 9, Financial Instruments	1 January 2013

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2008/09 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

The information in this interim financial report is unaudited and does not constitute statutory financial statements. The financial information relating to the financial year ended 30 June 2009 included in the interim financial report is extracted from the Company's statutory financial statements. Statutory financial statements for the year ended 30 June 2009 can be obtained on request at the Group Company Secretariat, 50/F The Center, 99 Queen's Road Central, Hong Kong, or from the Company's website www.guoco.com. The auditors have expressed an unqualified opinion on those financial statements in their report dated 28 August 2009.

2. SEGMENT REPORTING

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

Principal investment:	This segment covers equity and direct investments as well as treasury operations, with trading and strategic investments in global capital markets.
Property development and investment:	This segment engages in development of residential and commercial properties and holding properties for rental income in the key geographical markets of Singapore, China, Malaysia and Vietnam.
Hospitality and leisure business:	This business segment owns, leases or manages hotels and operates an integrated gaming location in the United Kingdom.
Securities, commodities and brokerage:	This segment provides stock and commodities broking and corporate advisory services specialising principally in Hong Kong.
Oil and gas:	This segment receives royalty income from the entitlement of Bass Strait oil trust in Australia.
Financial services:	This segment covers commercial and consumer banking, Islamic banking, investment banking, life and general insurance, Takaful insurance, fund management and unit trust, corporate advisory services and stockbroking.

Performance is evaluated on the basis of profit or loss before taxation. Inter-segment pricing is determined on an arm's length basis.

2. SEGMENT REPORTING (Cont'd)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

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

Segment results

	Principal investment US$'000	Property development and investment US$'000	Hospitality and leisure business US$'000	Securities, commodities and brokerage US$'000	Oil and gas US$'000	Financial services US$'000	Total US$'000
For the six months ended 31 December 2009							
Turnover	**393,592**	**230,020**	**176,582**	**5,143**	**–**	**–**	**805,337**
Revenue from external customers	**24,450**	**230,020**	**176,582**	**5,143**	**–**	**–**	**436,195**
Inter-segment revenue	**1,381**	**500**	**–**	**237**	**–**	**–**	**2,118**
Reportable segment revenue	**25,831**	**230,520**	**176,582**	**5,380**	**–**	**–**	**438,313**
Segment results	**79,152**	**60,246**	**22,107**	**1,554**	**17,439**	**–**	**180,498**
Finance cost	**(188)**	**(13,042)**	**(20,180)**	**(82)**	**–**	**–**	**(33,492)**
Share of profits of associates	**2,496**	**1,114**	**–**	**–**	**–**	**22,305**	**25,915**
Share of profits less losses of jointly controlled entities	**–**	**1,504**	**–**	**–**	**–**	**–**	**1,504**
Profit before taxation	**81,460**	**49,822**	**1,927**	**1,472**	**17,439**	**22,305**	**174,425**
For the six months ended 31 December 2008							
Turnover	634,059	322,433	197,994	3,277	–	–	1,157,763
Revenue from external customers	56,877	322,433	197,994	3,277	–	–	580,581
Inter-segment revenue	23	516	–	299	–	–	838
Reportable segment revenue	56,900	322,949	197,994	3,576	–	–	581,419
Segment results	(401,482)	22,186	50,909	456	20,168	–	(307,763)
Finance cost	(99)	(10,434)	(21,952)	(26)	–	–	(32,511)
Share of profits of associates	1,506	3,143	–	–	–	22,647	27,296
Share of profits less losses of jointly controlled entities	–	1,172	–	–	–	–	1,172
Profit/(loss) before taxation	(400,075)	16,067	28,957	430	20,168	22,647	(311,806)

2. SEGMENT REPORTING (Cont'd)

(b) Reconciliations of reportable segment revenue and finance cost (unaudited)

Revenue

	Six months ended 31 December	
	2009	2008
	US$'000	US$'000
Reportable segment revenue	**438,313**	581,419
Elimination of inter-segment revenue	**(2,118)**	(838)
Consolidated revenue	**436,195**	580,581

Finance cost

	Six months ended 31 December	
	2009	2008
	US$'000	US$'000
Reportable finance cost	**(33,492)**	(32,511)
Elimination of inter-segment finance cost	**1,081**	23
Consolidated finance cost	**(32,411)**	(32,488)

2. SEGMENT REPORTING (Cont'd)

(c) Geographical information (unaudited)

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

	Revenue from external customers Six months ended 31 December		Profit/(loss) from operations Six months ended 31 December	
	2009 US$'000	2008 US$'000	**2009 US$'000**	2008 US$'000
The People's Republic of China ("PRC")				
Hong Kong	**30,114**	51,177	**80,780**	(373,362)
Mainland China	**179,577**	17,071	(Note) **41,972**	709
United Kingdom	**167,286**	191,860	**6,086**	14,114
Singapore	**33,002**	301,082	(Note) **4,980**	4,881
Australasia and others	**26,216**	19,391	(Note) **13,188**	13,384
	436,195	580,581	**147,006**	(340,274)

Note:

In accordance with applicable Hong Kong Financial Reporting Standards, at Group level we have 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 period amounting to US$nil (2008: US$22.1 million) and US$45.8 million (2008: US$4.4 million) in Singapore and Mainland China & other regions respectively have been deferred for recognition in the Group accounts. The Group has recognised operating profits of GLL which have been deferred in previous years amounting to US$nil (2008: US$12.6 million) and US$13.9 million (2008: US$0.2 million) in Singapore and Mainland China & other regions respectively for those development projects completed during the period. Up to 31 December 2009, accumulated operating profits of GLL totalling US$5.1 million (2008: US$49.2 million) in Singapore and US$50.1 million (2008: US$7.3 million) in Mainland China & other regions have been deferred for recognition, which will be recognised by the Group upon completion of the relevant development projects in subsequent years.

3. TURNOVER AND REVENUE

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

	Six months ended 31 December	
	2009 (Unaudited) US$'000	2008 (Unaudited) US$'000
Revenue from sale of properties	**218,127**	312,468
Revenue from hotel and gaming operations	**172,335**	197,994
Interest income	**19,940**	49,939
Dividend income from listed securities	**10,865**	6,587
Rental income from properties	**9,199**	9,947
Securities commission and brokerage	**4,300**	2,352
Others	**1,429**	1,294
Revenue	**436,195**	580,581
Proceeds from sale of investments in securities	**369,142**	577,182
Turnover	**805,337**	1,157,763

4. OTHER REVENUE AND NET INCOME/(LOSSES)

(a) Other revenue

	Six months ended 31 December	
	2009 (Unaudited) US$'000	2008 (Unaudited) US$'000
Sublease income	**3,863**	4,553
Bass Strait oil and gas royalty	**20,774**	23,139
Hotel management fee	**2,927**	264
Others	**1,842**	2,143
	29,406	30,099

4. OTHER REVENUE AND NET INCOME/(LOSSES) (Cont'd)

(b) Other net income/(losses)

	Six months ended 31 December	
	2009 (Unaudited) US$'000	2008 (Unaudited) US$'000
Net realised and unrealised gains/(losses) on trading financial assets	**10,647**	(131,602)
Net realised and unrealised gains/(losses) on derivative financial instruments	**4,932**	(52,458)
Net realised gains on disposal of available-for-sale financial assets	**–**	867
Net exchange gains/(losses) on foreign exchange contracts	**868**	(6,337)
Other exchange gains/(losses)	**58,375**	(243,825)
Net profits/(losses) on disposal of fixed assets	**105**	(29)
Other income	**3,048**	3,061
	77,975	(430,323)

5. PROFIT/(LOSS) FOR THE PERIOD BEFORE TAXATION

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

(a) Finance cost

	Six months ended 31 December	
	2009 (Unaudited) US$'000	2008 (Unaudited) US$'000
Interest on bank advances and other borrowings wholly repayable within five years	**33,731**	38,095
Other borrowing costs	**19,524**	20,259
Total borrowing costs	**53,255**	58,354
Less: borrowing costs capitalised into development properties (Note)	**(20,844)**	(25,866)
	32,411	32,488

Note:

These borrowing costs have been capitalised at rates of 1.0% to 6.3% per annum (2008: 1.4% to 8.5%).

5. PROFIT/(LOSS) FOR THE PERIOD BEFORE TAXATION (Cont'd)

(b) Staff cost

	Six months ended 31 December	
	2009 (Unaudited) US$'000	2008 (Unaudited) US$'000
Salaries, wages and other benefits	**64,248**	68,477
Retirement scheme contributions	**2,443**	2,868
	66,691	71,345

(c) Other items

	Six months ended 31 December	
	2009 (Unaudited) US$'000	2008 (Unaudited) US$'000
Depreciation	**14,430**	13,090
Amortisation of Bass Strait oil and gas royalty	**3,332**	2,925
Operating lease charges		
— properties	**2,076**	2,287
— others	**895**	1,234
Auditors' remuneration	**655**	693
Donations	**88**	133
Recognition of negative goodwill on acquisition of additional interests in subsidiaries	**—**	(20,222)
Gross rental income from investment properties	**(9,199)**	(9,947)
Less: direct outgoings	**2,114**	2,239
Net rental income	**(7,085)**	(7,708)
Share of profits of associates:		
— listed	**(25,983)**	(27,181)
— unlisted	**68**	(115)
	(25,915)	(27,296)
Share of profits less losses of jointly controlled entities:		
— unlisted	**(1,504)**	(1,172)

6. TAXATION

Tax expenses in the consolidated income statement represent:

	Six months ended 31 December	
	2009 (Unaudited) US$'000	2008 (Unaudited) US$'000
Hong Kong Profits Tax	**(192)**	2
Overseas taxation	**(18,757)**	(333)
Deferred taxation	**1,478**	(1,692)
	(17,471)	(2,023)

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2008: 16.5%) to the profits for the six months ended 31 December 2009. Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that would be applicable in the relevant countries.

7. DIVIDENDS

	Six months ended 31 December	
	2009 (Unaudited) US$'000	2008 (Unaudited) US$'000
Year 2008/2009: Final dividend paid of HK$1.50 per ordinary share (Year 2007/2008: HK$3.00 per ordinary share)	**62,908**	125,745
Year 2009/2010: Interim dividend declared of HK$0.80 per ordinary share (Year 2008/2009: HK$0.50 per ordinary share)	**33,945**	21,229

The interim dividend declared for the year ending 30 June 2010 of US$33,945,000 (2009: US$21,229,000) is calculated based on 329,051,373 ordinary shares (2008: 329,051,373 ordinary shares) in issue as at 31 December 2009.

8. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company of US$137,096,000 (2008: loss of US$323,171,000) and the weighted average number of 325,024,511 ordinary shares (2008: 325,024,511 ordinary shares) in issue during the period.

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share for the period ended 31 December 2009 and 2008 equal to the basic earnings/(loss) per share as the potential ordinary shares outstanding during the period had an anti-dilutive effect on the basic earnings/(loss) per share for the period respectively.

9. FIXED ASSETS

During the six months ended 31 December 2009, the Group acquired fixed assets with a cost of US$5,473,000 (six months ended 31 December 2008: US$21,707,000). The Group disposed of fixed assets with a net book value of US$130,000 during the six months ended 31 December 2009 (six months ended 31 December 2008: US$83,000).

10. DEVELOPMENT PROPERTIES

		At 31 December 2009 (Unaudited) US$'000	At 30 June 2009 (Audited) US$'000
Cost		**3,192,782**	3,131,873
Less:	Impairment loss	**(17,641)**	(17,806)
	Progress instalments received and receivable	**(377,730)**	(153,242)
		2,797,411	2,960,825

11. TRADE AND OTHER RECEIVABLES

	At 31 December 2009 (Unaudited) US$'000	At 30 June 2009 (Audited) US$'000
Trade debtors	**300,962**	153,657
Deposits and prepayments	**69,460**	95,384
Derivative financial instruments, at fair value	**7,168**	799
Interest receivables	**1,046**	825
	378,636	250,665

Included in trade and other receivables are amounts of US$3.8 million (30 June 2009: US$8.1 million) which are expected to be recovered after more than one year.

Included in trade and other receivables are trade debtors (net of allowance for bad and doubtful debts) with the following ageing analysis as of the balance sheet date:

	At 31 December 2009 (Unaudited) US$'000	At 30 June 2009 (Audited) US$'000
Current	**64,674**	97,326
1 to 3 months	**217,544**	33,122
More than 3 months	**18,744**	23,209
	300,962	153,657

12. TRADE AND OTHER PAYABLES

	At 31 December 2009 (Unaudited) US$'000	At 30 June 2009 (Audited) US$'000
Trade creditors	**86,520**	89,392
Other payables and accrued operating expenses	**621,108**	603,842
Derivative financial instruments, at fair value	**5,072**	5,407
Amounts due to fellow subsidiaries	**7,541**	3,846
Amounts due to associates	**34**	32
Amounts due to jointly controlled entities	**282**	291
	720,557	702,810

Included in trade and other payables are amounts of US$42.5 million (30 June 2009: US$39.5 million) 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:

	At 31 December 2009 (Unaudited) US$'000	At 30 June 2009 (Audited) US$'000
Due within 1 month or on demand	**30,377**	68,724
Due after 1 month but within 3 months	**42,309**	14,729
Due after 3 months	**13,834**	5,939
	86,520	89,392

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

13. CURRENT PORTION OF BANK LOANS AND OTHER BORROWINGS

	At 31 December 2009 (Unaudited) US$'000	At 30 June 2009 (Audited) US$'000
Bank loans		
— Secured	**240,520**	41,971
— Unsecured	**333,981**	407,947
	574,501	449,918
Unsecured medium term notes repayable within 1 year	**110,611**	55,281
Convertible bonds	**247,462**	235,191
	932,574	740,390

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

	At 31 December 2009 (Unaudited) US$'000	At 30 June 2009 (Audited) US$'000
Bank loans		
— Secured	664,847	938,229
— Unsecured	194,768	154,789
	859,615	1,093,018
Unsecured medium term notes	—	24,185
Secured mortgage debenture stock	405,259	426,569
Convertible bonds	246,559	233,855
	1,511,433	1,777,627

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

	At 31 December 2009 (Unaudited)					At 30 June 2009 (Audited)				
	Bank loans US$'000	Mortgage debenture stock US$'000	Convertible bonds US$'000	Other borrowings US$'000	Total US$'000	Bank loans US$'000	Mortgage debenture stock US$'000	Convertible bonds US$'000	Other borrowings US$'000	Total US$'000
Within 1 year or on demand	574,501	–	247,462	110,611	932,574	449,918	–	235,191	55,281	740,390
After 1 year but within 2 years	258,840	–	–	–	258,840	436,628	–	–	24,185	460,813
After 2 years but within 5 years	183,495	309,143	246,559	–	739,197	656,390	–	233,855	–	890,245
After 5 years	417,280	96,116	–	–	513,396	–	426,569	–	–	426,569
	859,615	405,259	246,559	–	1,511,433	1,093,018	426,569	233,855	24,185	1,777,627
	1,434,116	405,259	494,021	110,611	2,444,007	1,542,936	426,569	469,046	79,466	2,518,017

15. SHARE CAPITAL

	At 31 December 2009 No. of shares (Unaudited) '000	(Unaudited) US$'000	At 30 June 2009 No. of shares (Audited) '000	(Audited) US$'000
Authorised:				
Ordinary shares of US$0.50 each	1,000,000	500,000	1,000,000	500,000
Issued and fully paid	329,051	164,526	329,051	164,526

Note:

As at 31 December 2009, 4,026,862 ordinary shares (30 June 2009: 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.

16. CAPITAL COMMITMENTS OUTSTANDING NOT PROVIDED FOR IN THE INTERIM FINANCIAL REPORT

	At 31 December 2009 (Unaudited) US$'000	At 30 June 2009 (Audited) US$'000
Authorised and contracted for	**2,464**	3,344

The commitment in respect of development expenditure contracted but not provided for in the interim financial report by the Group was US$365.8 million (30 June 2009: US$261.8 million).

17. CONTINGENT LIABILITIES

(i) A subsidiary of the Group, GuocoLeisure Limited ("GL"), has given a guarantee to the owner of the 20 (30 June 2009: 20) 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$44.7 million (30 June 2009: US$46.1 million) per calendar year (or pro-rata amount) thereafter until 4 April 2012. The maximum liability for any one year under the guarantee is US$44.7 million (30 June 2009: US$46.1 million) and the maximum aggregate liability under the guarantee is approximately US$89.4 million (30 June 2009: US$92.2 million).

(ii) In November 2007, GLL's wholly-owned subsidiary, GuocoLand (China) Limited ("GLC"), completed its acquisition of a 100% interest in Hainan Jing Hao Asset Limited ("Hainan Co"), which in turn held a 90% stake in Beijing Cheng Jian Dong Hua Real Estate Development Company Limited ("CJDH"), the company undertaking the Dongzhimen project in Beijing ("DZM Project"). To date, an aggregate of RMB3.22 billion of the purchase consideration of RMB5.8 billion has been paid to the vendors of the DZM Project, Beijing Beida Jade Bird Company Limited ("BBJB") and its related corporations (collectively, the "vendors"). The balance of RMB2.58 billion has been withheld pending resolution of disputes, which had been disclosed previously.

Construction work on the DZM Project is in progress. Structural works have been completed for residential, hotel and retail components, and 2 office blocks. The airport terminal and the transportation centre were completed and handed over to the Beijing government in July 2008.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

17. CONTINGENT LIABILITIES (Cont'd)

(ii) (1) Alleged claims by Shenzhen Development Bank ("SDB") and Agricultural Bank of China ("ABC")

(a) SDB

SDB claims that a loan of RMB1.5 billion was granted by SDB to certain borrowers. Amongst the security obtained by SDB is a guarantee by Beijing Dong Hua Guang Chang Zhi Ye Co Ltd ("Zhiye"), a related corporation of BBJB. An earlier suit filed by SDB against Zhiye and CJDH in The People's High Court of Beijing ("Beijing Court") was dismissed in December 2007. SDB has initiated another suit directly against CJDH for the recovery of its loan under the Zhiye guarantee ("second SDB suit"). In addition, SDB has filed an appeal against Zhiye and CJDH in respect of the dismissal of the earlier SDB suit ("SDB appeal").

An interim application was made by SDB to the Beijing Court to restrict dealing in the assets of CJDH in the aggregate sum of their claims.

Based on the information available to GLC, CJDH is neither a guarantor nor borrower of the alleged loans of RMB1.5 billion granted by SDB to borrowers who are third parties apparently unrelated to CJDH. GLC has been advised by its PRC lawyers that the SDB appeal and second SDB suit both have no merits.

Pending hearing of the SDB appeal and the second SDB suit, SDB and BBJB have purportedly entered into a settlement agreement in May 2008 for CJDH to pay RMB1 billion of the alleged loan to SDB. GLC has been advised by its PRC lawyers that the settlement agreement is void and unenforceable.

(b) ABC

ABC had claimed that CJDH and its immediate holding company, Hainan Co, are guarantors of a loan of RMB2 billion owing to ABC by Zhiye. ABC has commenced legal proceedings against Zhiye, CJDH and Hainan Co. BBJB is also a defendant in the ABC proceedings.

ABC has made an interim application to the Beijing Court to restrict dealing in the assets of Zhiye, CJDH and BBJB in the aggregate sum of their claims.

PRC lawyers of GLC are of the view that if CJDH is liable for the loan or any part thereof, GLC is entitled to set off any payment towards the loan against the balance purchase consideration still not paid by GLC.

GLC's PRC lawyers have also advised that the interim applications by SDB and ABC only restrict dealing in the assets of CJDH pending final resolution of the SDB and ABC actions. The interim applications will be expunged once the PRC courts dismiss the SDB and ABC actions.

17. CONTINGENT LIABILITIES (Cont'd)

(ii) (2) Hainan Co and CJDH

In April 2008, GLL had disclosed that GLC had received a notice issued by the Hainan Trade Bureau purporting to revert registration in Hainan Co to its original shareholders being two of the vendors of the DZM Project, allegedly on the grounds that GLC has not paid the requisite consideration for the transfer of Hainan Co to GLC.

GLC has challenged the basis for this notice as the full consideration for the transfer of Hainan Co to GLC has been paid to the vendors. GLL has taken legal advice on these matters and will strongly defend and protect its 90% interest in the DZM Project. GLC has taken various legal actions which are pending hearing and adjudication before the PRC courts.

As the DZM Project is in Beijing, GLC has consolidated its legal actions which are now before the Beijing Intermediate Court. GLC is seeking, inter alia, for an order as rightful owner that 90% interest in CJDH be transferred to GLC or its nominee. Pending final resolution of the aforesaid legal actions, the Beijing Intermediate Court had granted GLC's application for an asset preservation order in respect of the 90% shareholding in CJDH held by Hainan Co.

GLC has also filed an appeal against the wrongful decision of the Hainan Trade Bureau in reverting registration of its 100% interest in Hainan Co to the original shareholders being two of the vendors of the DZM Project, and the matter is currently before the Hainan High Court.

Current Developments

With regard to the acquisition of the DZM Project in Beijing, various legal actions taken by GLC to defend and protect its 90% interest in the DZM Project are still pending hearing and/or adjudication before PRC courts.

18. MATERIAL RELATED PARTY TRANSACTIONS

(a) Banking transactions

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

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

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

(i) Income

	Six months ended 31 December	
	2009 (Unaudited) US$'000	2008 (Unaudited) US$'000
Interest income	**146**	483

18. MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

(a) Banking transactions (Cont'd)

(ii) Balance as

	At 31 December 2009 (Unaudited) US$'000	At 30 June 2009 (Audited) US$'000
Cash and short term funds	**25,089**	37,401

(b) Management fee

On 25 June 2008, the Company entered into a master services agreement with GOMC Limited ("GOMC") and GuoLine Group Management Co. Limited ("GGMC"), subsidiaries of HLCM, for provision by GOMC or GGMC of management services to the Company and/or its subsidiaries (excluding those subsidiaries which are from time to time incorporated, resident or having principal place of business in Malaysia (the "Malaysian Subsidiaries")), for a term of 3 years from 1 July 2008 to 30 June 2011. Total amount paid or provided for in respect of management fees to GOMC and GGMC for the period ended 31 December 2009 amounted to US$2,577,000 (2008: US$70,000) and US$3,708,000 (2008: US$1,394,000) respectively.

On 25 June 2008, the Company entered into a master services agreement with HL Management Co Sdn Bhd ("HLMC"), a subsidiary of HLCM, for the provision of management services to the Malaysian Subsidiaries of the Company for a term of 3 years from 1 July 2008 to 30 June 2011. Total amount paid or provided for in respect of management fees to HLMC for the period ended 31 December 2009 amounted to US$227,000 (2008: US$143,000).

19. HONG KONG DOLLAR AMOUNTS

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

20. REVIEW BY BOARD AUDIT COMMITTEE

The unaudited interim results for the six months ended 31 December 2009 have been reviewed by the Board Audit Committee of the Company. The information in these interim results does not constitute statutory accounts.

21. COMPARATIVE FIGURES

As a result of the application of HKAS 1 (Revised 2007), Presentation of Financial Statements, and HKFRS 8, Operating Segments, certain comparative figures have been adjusted to conform to the current period's presentation and to provide comparative amounts in respect of items disclosed for the first time in the interim financial report for the six months ended 31 December 2009. Further details of these developments are disclosed in note 1(b).

SUPPLEMENTARY INFORMATION

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

During the period, 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.

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

As at 31 December 2009, 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"). Certain information herein is based on additional information of the relevant events on or before 31 December 2009 with the disclosure deadlines under the SFO falling after 31 December 2009.

(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**	Notes
Quek Leng Chan	1,656,325	244,425,391	246,081,716	74.79%	1
Kwek Leng Hai	3,800,775	—	3,800,775	1.16%	
Sat Pal Khattar	—	691,125	691,125	0.21%	2
Kwek Leng San	209,120	—	209,120	0.06%	
Tan Lim Heng	566,230	—	566,230	0.17%	
Ding Wai Chuen	5,000	—	5,000	0.00%	

* *Ordinary shares unless otherwise specified in the Notes*

SUPPLEMENTARY INFORMATION

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

(A) The Company (Cont'd)

Notes:

1. The total interests of 246,081,716 shares/underlying shares comprised 240,881,716 ordinary shares of the Company and 5,200,000 underlying shares of other unlisted derivatives.

   The corporate interests of 244,425,391 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuoLine Overseas Limited ("GOL")	235,198,529
GuoLine Capital Limited ("GCL")	5,200,000
Asian Financial Common Wealth (PTC) Limited ("AFCW")	4,026,862

   AFCW was wholly owned by the Company which was in turn 71.48% 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.

2. The corporate interests of 691,125 shares were directly held by Khattar Holdings Pte Ltd which was 14.84% owned by Mr Sat Pal Khattar and was accustomed to act according to his directions.

(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.

SUPPLEMENTARY INFORMATION

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

(B) Associated Corporations (Cont'd)

b) *GuocoLand Limited ("GLL")*

Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of GLL	Notes
	Number of *shares/underlying shares (Long Position)				
Quek Leng Chan	20,062,965	659,542,737	679,605,702	76.57%	1
Kwek Leng Hai	26,468,186	—	26,468,186	2.98%	
Sat Pal Khattar	—	13,856,482	13,856,482	1.56%	2
Tan Lim Heng	1,333,333	—	1,333,333	0.15%	
Volker Stoeckel	1,096,000	—	1,096,000	0.12%	

* *Ordinary shares unless otherwise specified in the Notes*

Notes:

1. The total interests of 679,605,702 shares/underlying shares comprised 623,133,274 ordinary shares of GLL, 34,681,996 underlying shares of other unlisted derivatives and 21,790,432 underlying shares of other listed derivatives.

   The corporate interests of 659,542,737 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuocoLand Assets Pte Ltd ("GAPL")	579,024,320
GuoLine Capital Limited ("GCL")	58,727,985
Hong Leong Bank Berhad ("HLB")	11,621,568
Hong Leong Assurance Berhad ("HLA")	9,587,787
Hong Leong Insurance (Asia) Limited ("HLIA")	581,077

   HLIA was wholly owned by HLA Holdings Sdn Bhd which was in turn wholly owned by Hong Leong Financial Group Berhad ("HLFG"). HLB was 64.27% owned by HLFG which wholly owned HLA. HLFG was 77.31% owned by Hong Leong Company (Malaysia) Berhad ("HLCM").

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

2. The corporate interests of 13,856,482 shares were directly held by Khattar Holdings Pte Ltd which was 14.84% owned by Mr Sat Pal Khattar and was accustomed to act according to his directions.

SUPPLEMENTARY INFORMATION

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

(B) Associated Corporations (Cont'd)

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

	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	846,298,600	851,288,200	80.86%	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:

The total interests of 851,288,200 shares/underlying shares comprised 824,903,500 ordinary shares of HLFG and 26,384,700 underlying shares of other unlisted derivatives.

The corporate interests of 846,298,600 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Company (Malaysia) Berhad ("HLCM")	546,773,354
Hong Leong Share Registration Services Sdn Bhd ("HLSRS")	3,600
GuoLine Capital Limited ("GCL")	26,384,700
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 Sdn Bhd which was in turn 35.21% and 64.79% owned by HLCM and HL Manufacturing Holdings Sdn Bhd ("HLMH") respectively. HLMH was wholly owned by HLCM.

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

SPSB was 99% owned by Mr Quek Leng Chan.

SUPPLEMENTARY INFORMATION

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

(B) Associated Corporations (Cont'd)

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

Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of GLM	
	Number of *shares/underlying shares (Long Position)				
Quek Leng Chan	19,506,780	490,198,596	509,705,376	72.77%	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 unless otherwise specified in the Note*

Note:

The total interests of 509,705,376 shares/underlying shares comprised 474,705,376 ordinary shares of GLM and 35,000,000 underlying shares of other unlisted derivatives.

The corporate interests of 490,198,596 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GLL (Malaysia) Pte Ltd ("GLLM")	455,130,580
GuoLine Capital Limited ("GCL")	35,000,000
HLCM Capital Sdn Bhd ("HLCM Capital")	68,016

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

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

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

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")

Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of HLI	
	Number of *shares (Long Position)				
Kwek Leng Hai	189,812	—	189,812	0.07%	
Sat Pal Khattar	198,580	348,500	547,080	0.20%	Note
Kwek Leng San	2,520,000	—	2,520,000	0.92%	

* *Ordinary shares*

Note:

The corporate interests of 348,500 shares were held by J.M. Sassoon & Co. (Pte) Ltd which was in turn wholly owned by Khattar Holdings Pte Ltd ("KHP"). KHP was 14.84% owned by Mr Sat Pal Khattar and was accustomed to act according to his directions.

SUPPLEMENTARY INFORMATION

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

(B) Associated Corporations (Cont'd)

f) Hong Leong Bank Berhad ("HLB")

Director	Number of *shares (Long Position) 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*

g) HLG Capital Berhad ("HLGC")

Director	Number of *shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of HLGC
Kwek Leng Hai	1,000,000	—	1,000,000	0.41%
Kwek Leng San	119,000	—	119,000	0.05%

* *Ordinary shares*

h) Malaysian Pacific Industries Berhad ("MPI")

Director	Number of *shares (Long Position) 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*

SUPPLEMENTARY INFORMATION

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

(B) Associated Corporations (Cont'd)

i) Hume Industries (Malaysia) Berhad ("HIMB")

	Number of *shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of HIMB**	
Quek Leng Chan	2,000,000	122,216,828	124,216,828	67.90%	Note
Sat Pal Khattar	200,000	—	200,000	0.11%	

* *Ordinary shares*

Note:

The corporate interests of 122,216,828 shares comprised the respective direct interests held by:

	Number of shares
Hong Leong Company (Malaysia) Berhad ("HLCM")	119,028,428
Hong Leong Assurance Berhad ("HLA")	1,154,400
Soft Portfolio Sdn Bhd ("SPSB")	2,034,000

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

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

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

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 65.70% owned by Hong Leong Company (Malaysia) Berhad ("HLCM"). The controlling shareholders of HLCM and their percentage control are shown in the Note under Part (A) above.

SUPPLEMENTARY INFORMATION

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

(B) Associated Corporations (Cont'd)

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

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

* *Ordinary shares*

l) GuocoLeisure Limited ("GL")

Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of GL	
	Number of *shares (Long Position)				
Quek Leng Chan	735,000	772,165,211	772,900,211	56.50%	Note
Tan Lim Heng	650,000	—	650,000	0.05%	

* *Ordinary shares*

Note:

The corporate interests of 772,165,211 were directly held by GuocoLeisure Assets Limited which was in turn 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:

Carsem (M) Sdn Bhd
Carter Realty Sdn Bhd
Guangzhou Lam Soon Food Products Limited
Guocera Tile Industries (Labuan) Sdn Bhd
Guocera Tile Industries (Meru) Sdn Bhd
GuocoLand Limited*
HLG Capital Berhad
Hong Leong Bank Berhad
Hong Leong Fund Management Sdn Bhd
Hong Leong Industries Berhad
Hong Leong Tokio Marine Takaful Berhad
Hong Leong Yamaha Motor Sdn Bhd
Kwok Wah Hong Flour Company Limited
Lam Soon (Hong Kong) Limited
Luck Hock Venture Holdings, Inc.
M.C. Packaging Offshore Limited
Malaysian Pacific Industries Berhad
RZA Logistic Sdn Bhd

* *In respect of interests in debentures only*

SUPPLEMENTARY INFORMATION

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

(C) Others (Cont'd)

The Company applied for and the Stock Exchange granted a waiver from full compliance with the disclosure requirements in respect of details of the deemed interests of Mr Quek Leng Chan in the above associated corporations under Paragraph 13 and Paragraph 41(2) 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 31 December 2009, none of the directors of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified by the directors of the Company pursuant to the Model Code required to be disclosed in accordance with the Listing Rules.

SHARE OPTIONS

The Company

Share Option Scheme

A share option scheme (the "Share Option Scheme") was adopted by the Company on 29 November 2001 for the grant of options over new shares of the Company to employees or directors of the Company or any of its subsidiaries and associated companies.

No option had ever been granted pursuant to the Share Option Scheme up to 31 December 2009.

Share Option Plan

On 16 December 2002, the Company adopted a share option plan (the "Share Option Plan") allowing the grant of options over existing shares of the Company to employees and directors of the group companies and the employees of associated companies.

No option had ever been granted pursuant to the Share Option Plan up to 31 December 2009.

GuocoLand Limited ("GLL")

GuocoLand Limited Executives' Share Option Scheme (the "GLL ESOS")

The GLL ESOS was approved by the shareholders of GLL on 31 December 1998 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 the 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").

SUPPLEMENTARY INFORMATION

SHARE OPTIONS (Cont'd)

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

GuocoLand Limited Executives' Share Option Scheme (the "GLL ESOS") (Cont'd)

As at 1 July 2009, outstanding options comprised 34,715,100 GLL shares. During the period, options comprising 10,528,350 GLL shares were exercised, and no options were granted nor had any options lapsed. As at 31 December 2009, the number of GLL shares comprised in the outstanding options was 24,186,750.

Details of the said options are as follows:

Date of grant	No. of GLL shares comprised in options: As at 1 July 2009	Notes	Exercised during the period	Notes	As at 31 December 2009	Adjusted exercise price per GLL share
1 November 2004	5,975,550	1a	5,975,550	1b	—	S$1.045
30 May 2005	4,552,800	2	4,552,800	1b	—	S$1.159
19 January 2007	24,186,750	3	—		24,186,750	S$2.328
Total:	34,715,100				24,186,750	

Notes:

1a. Pursuant 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 were notified by the GLL ESOS Committee in August 2007 of the vesting of a total of 14,227,500 GLL shares comprised in the vested options. The grantees were given an exercise period of up to two years from the date of vesting to exercise the vested options in accordance with the terms of the grant.

1b. The options comprising 10,528,350 GLL shares were exercised as follows:

Exercise Date	No. of GLL shares	Closing market prices per GLL share immediately before the Exercise Date
12 August 2009	569,100	S$2.13
19 August 2009	3,699,150	S$2.08
20 August 2009	2,845,500	S$2.01
12 November 2009	3,414,600	S$1.89

2. Pursuant 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 was notified by the GLL ESOS Committee in August 2007 and November 2007 of the vesting of the remaining 4,552,800 GLL shares in accordance with the terms of the grant.

3. 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 at the end of each performance period may be notified by the GLL 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.

As the Modified GLL ESOS was due to expire on 30 December 2008, a new GuocoLand Limited Executives' Share Option Scheme 2008 was adopted in place of the Modified GLL ESOS on 21 November 2008. The termination of the Modified GLL ESOS however does not affect outstanding options which had been granted thereunder.

SHARE OPTIONS (Cont'd)

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

GuocoLand Limited Executives' Share Option Scheme 2008 (the "GLL ESOS 2008")

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

During the period, 12,250,000 options were granted and no options were exercised nor had any options lapsed. As at 31 December 2009, the number of GLL shares comprised in the outstanding options was 12,250,000.

Details of the said options are as follows:

Date of grant	No. of GLL shares comprised in options As at 1 July 2009	Exercised during the period	As at 31 December 2009	Notes	Exercise price per GLL share
28 September 2009	—	—	12,250,000	1 & 2	S$2.29
		Total:	12,250,000		

Notes:

1. Subject to certain financial and performance targets being met by the grantees during the performance periods for the financial years 2009/10 to 2011/12, the grantees at the end of the performance periods may be notified by the GLL ESOS 2008 Committee of the vesting of the options. Thereafter, 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. The exercise price was determined based on the 5-day weighted average market price of GLL shares immediately prior to 28 September 2009. The weighted average market price per GLL share as at 28 September 2009 was S$2.28.

2. Based on the Black-Scholes option pricing model, the fair values of the options granted as at the date of grant on 28 September 2009 ranged from S$0.69 to S$0.72 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 0.6% to 1.3%, based on the yields of Singapore Government Securities bonds in issue on the date of grant;
   - expected volatility of 42.2% to 49.8%, based on 1-year historical volatility prior to the date of grant;
   - expected dividend yield of 2.2%, based on historical dividend payout over the market share price of GLL on the date of grant; and
   - expected option life of 3.2 years to 5.2 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.

GuocoLeisure Limited ("GL")

The GuocoLeisure Limited Executives' Share Option Scheme 2008 (the "GL ESOS 2008")

The GL ESOS 2008 was approved by the shareholders of GL on 17 October 2008 and further approved by the shareholders of the Company on 21 November 2008 (the "Effective Date"). The GL ESOS 2008 allows the grant of options over newly issued and/or existing shares of GL to eligible participants including employees and executive directors of the GL Group who are not controlling shareholders of GL.

No options were granted pursuant to the GL ESOS 2008 from the Effective Date up to 31 December 2009.

SUPPLEMENTARY INFORMATION

SHARE OPTIONS (Cont'd)

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. 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, 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").

Since the establishment up to 31 December 2009, no options 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 period or at any time during the period, under which eligible directors of the Company may be granted share options for acquisition of shares of respective companies concerned.

Apart from the above, at no time during the period was the Company, its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement 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.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

As at 31 December 2009, 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)	Notes	Approx. % of the issued share capital
Hong Leong Company (Malaysia) Berhad ("HLCM")	Interest of controlled corporations	244,425,391	1	74.28%
HL Holdings Sdn Bhd ("HLH")	Interest of controlled corporations	244,425,391	2 & 3	74.28%
Hong Leong Investment Holdings Pte Ltd ("HLInvt")	Interest of controlled corporations	244,425,391	2 & 4	74.28%
Davos Investment Holdings Private Limited ("Davos")	Interest of controlled corporations	244,425,391	2 & 5	74.28%
Kwek Leng Kee ("KLK")	Interest of controlled corporations	244,425,391	2 & 6	74.28%
Third Avenue Management LLC	Investment Manager	16,440,300		5.00%
Arnhold and S. Bleichroeder Advisers, LLC	Investment Manager	19,758,840		6.00%

SUPPLEMENTARY INFORMATION

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

Notes:

1. These interests comprised 239,225,391 ordinary shares of the Company and 5,200,000 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")	235,198,529
GuoLine Capital Limited ("GCL")	5,200,000
Asian Financial Common Wealth (PTC) Limited ("AFCW")	4,026,862

   AFCW was wholly owned by the Company which was in turn 71.48% owned by GOL. GOL and GCL were wholly owned by GuoLine Capital Assets Limited which was in turn wholly owned by HLCM.

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

3. 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%).

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

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

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

Save as disclosed above, as at 31 December 2009, the Company had not been notified by any person (other than the directors of the Company) who had interests or short positions in the shares or underlying shares of the Company of 5% or more which should be disclosed pursuant to the Part XV of the SFO or as recorded in the register maintained by the Company under Section 336 of the SFO.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 16 March 2010 to 19 March 2010, both days inclusive, during which period no share transfers will be registered.

To qualify for the interim dividend, all share transfers, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 15 March 2010.

By order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 1 March 2010