

2011/12

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R E P O R T

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CORPORATE INFORMATION

(As at 12 March 2012)

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

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Branch Share Registrars

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

FINANCIAL CALENDAR

Interim results announcement
Closure of Register of Members for interim dividend
Interim dividend of HK\$0.50 per share payable on

29 February 2012
16 March 2012
26 March 2012

FINANCIAL RESULTS

The unaudited consolidated loss attributable to shareholders for the six months ended 31 December 2011, after taxation and non-controlling interests, amounted to HK\$2,595 million, primarily arising from the Group's principal investment business which was adversely affected by the weakening financial market during the period. Basic loss per share amounted to HK\$7.98.

For the six months ended 31 December 2011, the principal investment division posted a net loss of HK\$2,973 million of which HK\$2,710 million represented unrealised losses on trading financial assets. There was an operating loss of HK\$168 million recorded by property development and investment sector, after the reversal of HK\$334 million profits due to the adoption of completion of construction method for revenue recognition in Hong Kong.

We generated profit (before taxation) from the following sources:

- hospitality and leisure business of HK\$469 million;
- contributions from associates and jointly controlled entities of HK\$334 million;
- oil and gas royalty of HK\$290 million;

and set off by finance cost of HK\$347 million.

Revenue increased by 75% to HK\$5,651 million. The increase was mainly attributable to the increase in hospitality and leisure sector of HK\$3,423 million (206%), net off by decrease in property development and investment sector of HK\$1,036 million (79%). Administrative and other operating expenses also increased by 119% to HK\$2,338 million. The higher revenue and administrative and other operating expenses were primarily due to the consolidation of the results of The Rank Group Plc which became a subsidiary in June 2011.

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK\$0.50 per share amounting to approximately HK\$165 million (2010/2011 interim dividend: HK\$1.00 per share amounting to approximately

HK\$329 million) for the financial year ending 30 June 2012 which will be payable on Monday, 26 March 2012 to the shareholders whose names appear on the Register of Members on Friday, 16 March 2012.

REVIEW OF OPERATIONS

Principal Investment

Market conditions remained very volatile during the period under review. Investors had to deal with a combination of complex and inter-related issues, including continued deterioration in the European sovereign debt crisis, ongoing de-leveraging in the western banking sector, growth concerns in various emerging economies especially the slowdown in China as well as an unprecedented credit rating downgrade for the U.S. Despite repeated attempts by different central banks and authorities to come up with measures to lessen the impact of these negatives, major equity markets all recorded negative returns in the second half of 2011 with some of them suffering double-digit declines. Our reported losses are mainly unrealised. Market fluctuations will inevitably affect our valuations.

Property Development and Investment

GuocoLand Limited ("GuocoLand")

GuocoLand reported profit after tax and non-controlling interests of S\$36,000 for the first half year ended 31 December 2011 compared to S\$80.2 million (restated) for the previous corresponding period.

Revenue for the half year ended 31 December 2011 declined by 49% to S\$254.3 million as compared to the previous corresponding period. It was derived mainly from the progressive recognition of Singapore's residential projects for the half year ended 31 December 2011. In the previous corresponding period, in addition to contribution from Singapore's projects, revenue was also recognised for the sale of completed projects in China, such as Ascot Park in Nanjing and SOHO units and office block in Shanghai GuoSon Centre. With the adoption of Interpretation of Financial Reporting Standard 115, sale of units in Tianjin Seasons Park, as well as Goodwood Residence units under deferred payment scheme, was not recognised as revenue in the income statement.

REVIEW OF OPERATIONS (Cont'd)

Property Development and Investment (Cont'd)

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

Other expenses increased by S\$7.8 million for the half year ended 31 December 2011 mainly due to higher net foreign exchange loss and mark-to-market loss on derivative financial instruments.

Finance costs increased from S\$13.1 million to S\$19.3 million mainly due to higher borrowings in the half year ended 31 December 2011 as compared to the previous corresponding period.

Given the current global uncertainties and government measures to cool the property sectors in Singapore and China, business conditions will continue to be challenging for GuocoLand.

Hospitality and Leisure Business

GuocoLeisure Limited ("GuocoLeisure")

GuocoLeisure recorded a profit after tax for the half year ended 31 December 2011 at US\$36.6 million, an increase of 2.2% as compared to US\$35.8 million in the previous corresponding period.

Revenue stood at US\$189.7 million, which was 5.2% below that of the previous corresponding period. This was mainly due to lower revenues generated from the gaming segment.

Income from the Bass Strait oil and gas royalty in Australia increased by 40.4% to US\$31.3 million, principally due to higher average crude oil and gas prices in the current period as compared to the same period a year ago. In addition, a one-off royalty distribution of US\$5.4 million arising from the resolution of a royalty entitlement dispute was received during the period.

The Rank Group Plc ("Rank")

Profit after taxation but before exceptional items of Rank increased by 11.6% to GBP23.1 million following the improvement in trading in the United Kingdom, lower interest costs following the receipt of value added tax refunds in early 2011 and a reduction in the effective tax rate.

Exceptional items totalling GBP8.8 million comprised impairment charges mainly in relation to six bingo clubs in Spain together with restructuring costs following the decision to close a number of under-performing clubs in the United Kingdom.

During the six months ended 31 December 2011, Rank's revenue grew by 2.8% to GBP282.7 million, while operating profit before exceptional items of GBP34.6 million was up 3.6%. Grosvenor Casinos, Mecca Bingo and Rank Interactive in the United Kingdom all delivered strong increases in operating profit but Top Rank Espana and the two Belgium casinos experienced difficult trading conditions following the implementation of full smoking bans and difficult economic conditions.

Financial Services

Hong Leong Financial Group Berhad ("HLFG")

HLFG achieved a profit before tax of RM995.8 million for the half year ended 31 December 2011 as compared to RM1,517.7 million in the previous corresponding period. Excluding the one-off life insurance surplus transfer of RM175 million from Hong Leong Assurance Bhd ("HLA") as well as a RM619.0 million one-off gain on transfer of HLA general insurance business to MSIG Insurance (Malaysia) Bhd ("MSIG Malaysia") in the previous corresponding period, HLFG recorded an increase in profit before tax by 37.6% or RM272.1 million.

The commercial banking division recorded a profit before tax of RM1,007.0 million for the half year ended 31 December 2011 as compared to RM677.1 million in the previous corresponding period, an increase of RM329.9 million. The higher contribution was mainly due to the acquisition of the entire assets and liabilities of EON Capital Berhad coupled with higher share of profits from the investment in Bank of Chengdu Co., Ltd.

The investment banking division comprising investment banking, brokerage and asset management activities recorded a profit before tax of RM22.5 million for the half year ended 31 December 2011 as compared to RM28.3 million in the previous corresponding period. The decrease in profit was mainly due to lower brokerage and management fee income as well as higher overhead expenses incurred.

REVIEW OF OPERATIONS (Cont'd)

Financial Services (Cont'd)

Hong Leong Financial Group Berhad ("HLFG") (Cont'd)

The insurance division registered a profit before tax of RM15.0 million for the half year ended 31 December 2011 as compared to 'normalised' profit of RM46.3 million (which net off the aforementioned one-time gains from general insurance business and one-time surplus transfer from the life division) in the previous correspondence period. The decrease in profit was mainly due to one-off expenses of RM24.0 million relating to the MSIG Malaysia deal and also realised and unrealised mark-to-market losses on investments in Hong Leong Insurance (Asia) Limited of RM3.4 million.

— The equity-debt ratio as at 31 December 2011 was as follow:

	HK\$'M
Total borrowings	44,231
Less: Cash and short term funds	(8,882)
Marketable securities	(11,313)
Net debt	24,036
Equity attributable to shareholders of the Company	43,463
Equity-debt ratio	64 : 36

Group Financial Commentary

Capital Management

- The Group's consolidated total equity (including non-controlling interests) as at 31 December 2011 amounted to HK\$54.3 billion, a decrease of 10% compared to the total equity as at 30 June 2011.
- The Group's consolidated total equity attributable to shareholders of the Company as at 31 December 2011 amounted to HK\$43.5 billion, a decrease of HK\$5.5 billion compared to the figure as at 30 June 2011.
- The Group's total cash balance and marketable securities were mainly in USD (38%), JPY (12%), AUD (10%), SGD (9%), RMB (8%) and HKD (8%).

REVIEW OF OPERATIONS (Cont'd)

Group Financial Commentary (Cont'd)

Total Borrowings

The decrease in total borrowings from HK\$47.4 billion as at 30 June 2011 to HK\$44.2 billion as at 31 December 2011 was primarily due to repayment of loans. The Group's total borrowings are mainly denominated in SGD (55%), USD (23%), GBP (7%) and RMB (7%).

Bank loans, mortgage debenture stock and other borrowings are secured by certain development properties, fixed assets and trading financial assets with an aggregate book value of HK\$37.3 billion.

Committed borrowing facilities available to Group companies and not yet drawn as at 31 December 2011 amounted to approximately HK\$10.1 billion.

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
Within 1 year or on demand	20,483	—	2,280	3,878	26,641
After 1 year but within 2 years	6,032	—	—	35	6,067
After 2 years but within 5 years	4,007	1,944	—	4,136	10,087
After 5 years	542	705	—	189	1,436
	10,581	2,649	—	4,360	17,590
	31,064	2,649	2,280	8,238	44,231

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 swap and swap spread to manage its interest rate exposure as appropriate.

As at 31 December 2011, approximately 74% of the Group's borrowings were at floating rates and the remaining 26% were at fixed rates. The Group had outstanding interest rate swaps and swap spread with notional amount of HK\$2.7 billion.

Foreign Currency Exposure

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

As at 31 December 2011, there were outstanding foreign exchange contracts with a total notional amount of HK\$23.8 billion for hedging of foreign currency equity and bond investments.

Equity Price Exposure

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

Contingent Liabilities

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

HUMAN RESOURCES AND TRAINING

The Group, including its subsidiaries in Hong Kong and overseas, employed approximately 13,170 employees as at 31 December 2011. 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

Financial de-leveraging and fiscal austerity in the West will continue to exert pressure on growth. Elections and political transitions in some key countries may trigger changes and uncertainty. There have however been encouraging developments which may lead to a better economic climate.

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

Model Code for Securities Transactions by Directors

The Company 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.

CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2011 — Unaudited

	Note	2011 US\$'000	2010 US\$'000	2011 HK\$'000 (Note 19)	2010 HK\$'000 (Note 19)
Turnover	2 & 3	1,539,380	3,228,116	11,958,750	25,092,791
Revenue	2 & 3	727,413	416,250	5,650,944	3,235,595
Cost of sales		(365,567)	(203,041)	(2,839,926)	(1,578,278)
Other attributable costs		(11,637)	(9,930)	(90,403)	(77,188)
Other revenue	4(a)	350,209	203,279	2,720,615	1,580,129
Other net (losses)/income	4(b)	51,001	31,010	396,204	241,047
Administrative and other operating expenses		(406,227)	326,278	(3,155,795)	2,536,224
(Loss)/profit from operations before finance cost		(305,964)	423,478	(2,376,898)	3,291,780
Finance cost	2(b) & 5(a)	(44,657)	(28,698)	(346,920)	(223,075)
(Loss)/profit from operations	2	(350,621)	394,780	(2,723,818)	3,068,705
Profit on disposal of an associate		—	41,727	—	324,352
Share of profits of associates		41,823	101,100	324,904	785,871
Share of profits less losses of jointly controlled entities		1,132	3,107	8,794	24,151
(Loss)/profit for the period before taxation	2 & 5	(307,666)	540,714	(2,390,120)	4,203,079
Tax expenses	6	(22,299)	(27,164)	(173,231)	(211,151)
(Loss)/profit for the period		(329,965)	513,550	(2,563,351)	3,991,928
Attributable to:					
Shareholders of the Company		(334,050)	494,221	(2,595,086)	3,841,680
Non-controlling interests		4,085	19,329	31,735	150,248
(Loss)/profit for the period		(329,965)	513,550	(2,563,351)	3,991,928
		US\$	US\$	HK\$	HK\$
(Loss)/earnings per share					
Basic	8	(1.03)	1.52	(7.98)	11.82
Diluted	8	(1.03)	1.52	(7.98)	11.82
		US\$'000	US\$'000	HK\$'000	HK\$'000
Interim dividend	7	21,178	42,332	164,526	329,051

The notes on pages 13 to 28 form part of this interim financial report.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2011 — Unaudited

	2011 US\$'000	2010 US\$'000	2011 HK\$'000 (Note 19)	2010 HK\$'000 (Note 19)
(Loss)/profit for the period	(329,965)	513,550	(2,563,351)	3,991,928
Other comprehensive income for the period				
Exchange differences on translation of financial statements of foreign subsidiaries, associates and jointly controlled entities	(62,110)	125,356	(482,505)	974,417
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	18,250	(20,582)	141,776	(159,988)
Changes in fair value of available-for-sale financial assets	(161,395)	144,919	(1,253,805)	1,126,484
Transfer to profit or loss on disposal of available-for-sale financial assets	(93,297)	129	(724,782)	1,003
Actuarial gains and losses on defined benefit obligation	(425)	—	(3,302)	—
Share of other comprehensive income of associates	13	66,475	101	516,723
Other comprehensive (expenses)/income for the period, net of tax	(298,964)	316,297	(2,322,517)	2,458,639
Total comprehensive (expenses)/income for the period	(628,929)	829,847	(4,885,868)	6,450,567
Total comprehensive (expenses)/income attributable to:				
Shareholders of the Company	(611,357)	772,399	(4,749,359)	6,004,012
Non-controlling interests	(17,572)	57,448	(136,509)	446,555
	(628,929)	829,847	(4,885,868)	6,450,567

The notes on pages 13 to 28 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Note	At 31 December 2011 (Unaudited) US\$'000	At 30 June 2011 (Audited) US\$'000	At 31 December 2011 (Unaudited) HK\$'000 (Note 19)	At 30 June 2011 (Audited) HK\$'000 (Note 19)
NON-CURRENT ASSETS					
Fixed assets	9				
— Investment properties		1,325,833	1,386,440	10,299,800	10,789,900
— Other property, plant and equipment		1,801,371	1,833,806	13,994,041	14,271,504
Interest in associates		645,883	627,864	5,017,574	4,886,320
Interest in jointly controlled entities		115,191	120,584	894,867	938,439
Available-for-sale financial assets		1,532,554	1,436,338	11,905,722	11,178,229
Deferred tax assets		4,469	14,469	34,718	112,604
Intangible assets		990,953	1,030,765	7,698,268	8,021,877
Goodwill		68,451	68,713	531,765	534,755
		6,484,705	6,518,979	50,376,755	50,733,628
CURRENT ASSETS					
Development properties	10	4,038,507	3,529,862	31,373,343	27,470,975
Properties held for sale		195,491	239,615	1,518,682	1,864,792
Trade and other receivables	11	267,385	548,658	2,077,194	4,269,903
Trading financial assets		1,456,282	2,174,448	11,313,200	16,922,533
Cash and short term funds		1,143,286	2,003,408	8,881,674	15,591,423
		7,100,951	8,495,991	55,164,093	66,119,626
CURRENT LIABILITIES					
Trade and other payables	12	543,626	728,599	4,223,186	5,670,285
Current portion of bank loans and other borrowings	13	3,429,366	3,902,353	26,641,201	30,369,867
Taxation		131,389	185,101	1,020,702	1,440,539
Provisions and other liabilities		13,381	16,544	103,951	128,753
		4,117,762	4,832,597	31,989,040	37,609,444
NET CURRENT ASSETS					
		2,983,189	3,663,394	23,175,053	28,510,182
TOTAL ASSETS LESS CURRENT LIABILITIES					
		9,467,894	10,182,373	73,551,808	79,243,810
NON-CURRENT LIABILITIES					
Non-current portion of bank loans and other borrowings	14	2,264,291	2,190,160	17,590,258	17,044,811
Amount due to non-controlling interests		79,956	77,454	621,142	602,782
Provisions and other liabilities		76,699	85,509	595,840	665,470
Deferred tax liabilities		60,678	89,401	471,380	695,759
		2,481,624	2,442,524	19,278,620	19,008,822
NET ASSETS					
		6,986,270	7,739,849	54,273,188	60,234,988
CAPITAL AND RESERVES					
Share capital	15	164,526	164,526	1,278,129	1,280,415
Reserves		5,430,217	6,132,653	42,184,912	47,727,066
Equity attributable to shareholders of the Company		5,594,743	6,297,179	43,463,041	49,007,481
Non-controlling interests		1,391,527	1,442,670	10,810,147	11,227,507
TOTAL EQUITY					
		6,986,270	7,739,849	54,273,188	60,234,988

The notes on pages 13 to 28 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2011 — Unaudited

	Attributable to the Shareholders of the Company												Non-controlling interests	Total Equity
	Share capital	Share premium	Capital reserves	Contributed surplus	ESOP reserve	Share option reserve	Exchange translation reserve	Fair value reserve	Revaluation reserve	Retained profits	Total			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 July 2011	164,526	10,493	(62,782)	2,544	(40,933)	8,690	231,280	361,194	9,179	5,612,988	6,297,179	1,442,670	7,739,849	
Loss for the period	-	-	-	-	-	-	-	-	-	(334,050)	(334,050)	4,085	(329,965)	
Exchange differences on translation of financial statements of foreign subsidiaries, associates and jointly controlled entities	-	-	5,970	-	(73)	(453)	(25,312)	632	(238)	-	(19,474)	(42,636)	(62,110)	
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	-	-	-	-	-	-	(5,497)	-	-	-	(5,497)	23,747	18,250	
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	(158,735)	-	-	(158,735)	(2,660)	(161,395)	
Transfer to profit or loss on disposal of available-for-sale financial assets	-	-	-	-	-	-	-	(93,297)	-	-	(93,297)	-	(93,297)	
Actuarial gains and losses on defined benefit obligation	-	-	-	-	-	-	-	-	-	(317)	(317)	(108)	(425)	
Share of other comprehensive income of associates	-	-	573	-	-	-	505	(1,308)	-	243	13	-	13	
Total comprehensive (expenses)/income for the period	-	-	6,543	-	(73)	(453)	(30,304)	(252,708)	(238)	(334,124)	(611,357)	(17,572)	(628,929)	
Transfer between reserves	-	-	8,458	-	-	-	-	-	-	(8,458)	-	-	-	
Equity settled share-based transaction	-	-	-	-	-	(333)	-	-	-	-	(333)	(273)	(606)	
Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	-	-	-	1,124	1,124	(2,794)	(1,670)	
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(30,504)	(30,504)	
Final dividend paid in respect of the prior year	-	-	-	-	-	-	-	-	-	(91,870)	(91,870)	-	(91,870)	
At 31 December 2011	164,526	10,493	(47,781)	2,544	(41,006)	7,904	200,976	108,486	8,941	5,179,660	5,594,743	1,391,527	6,986,270	
At 1 July 2010	164,526	10,493	(30,612)	2,544	(40,923)	6,326	110,244	184,057	8,653	5,153,879	5,569,187	958,112	6,527,299	
Profit for the period	-	-	-	-	-	-	-	-	-	494,221	494,221	19,329	513,550	
Exchange differences on translation of financial statements of foreign subsidiaries, associates and jointly controlled entities	-	-	(6,451)	-	(58)	551	66,817	235	344	-	61,438	63,918	125,356	
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	-	-	-	-	-	-	7,784	-	-	-	7,784	(28,366)	(20,582)	
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	142,396	-	-	142,396	2,523	144,919	
Transfer to profit or loss on disposal of available-for-sale financial assets	-	-	-	-	-	-	-	85	-	-	85	44	129	
Share of other comprehensive income of associates	-	-	680	-	-	-	-	-	-	65,795	66,475	-	66,475	
Total comprehensive income for the period	-	-	(5,771)	-	(58)	551	74,601	142,716	344	560,016	772,399	57,448	829,847	
Transfer between reserves	-	-	1,363	-	-	-	-	-	-	(1,363)	-	-	-	
Equity settled share-based transaction	-	-	-	-	-	639	-	-	-	-	639	340	979	
Acquisition of additional interests in a subsidiary	-	-	-	-	-	-	-	-	-	1,475	1,475	(4,460)	(2,985)	
Subscription of shares under rights issue by the trust for ESOP by a subsidiary	-	-	(25,828)	-	-	-	-	-	-	-	(25,828)	-	(25,828)	
Issue of shares under rights issue by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	144,341	144,341	
Rights issue expenses of a subsidiary	-	-	(260)	-	-	-	-	-	-	-	(260)	(139)	(399)	
Preference shares buy back by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,154)	(1,154)	
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(21,756)	(21,756)	
Final dividend paid in respect of the prior year	-	-	-	-	-	-	-	-	-	(83,861)	(83,861)	-	(83,861)	
At 31 December 2010	164,526	10,493	(61,108)	2,544	(40,981)	7,516	184,845	326,773	8,997	5,630,146	6,233,751	1,132,732	7,366,483	

The notes on pages 13 to 28 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2011 — Unaudited

	2011	2010
	US\$'000	US\$'000
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(395,713)	654,047
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(74,466)	78,244
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(484,174)	95,044
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(954,353)	827,335
EFFECT OF FOREIGN EXCHANGE RATES	(4,919)	24,243
CASH AND CASH EQUIVALENTS AS AT 1 JULY	1,710,788	823,720
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	751,516	1,675,298
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and short term funds		
Cash collateral	391,770	—
Cash and cash equivalents	751,516	1,675,298
	1,143,286	1,675,298

The notes on pages 13 to 28 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

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 and 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 2010/11 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2011/12 annual financial statements as described below.

The HKICPA has issued certain revised and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), which term collectively includes HKASs and Interpretations, that became effective for the current accounting period of the Group. The adoption of the revised standards, amendments and interpretations had no material impact on the results and financial position of the Group.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2010/11 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 2011 included in the interim financial report is extracted from the Company’s statutory financial statements. Statutory financial statements for the year ended 30 June 2011 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 expressed an unqualified opinion on those financial statements in their report dated 30 August 2011.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

2. SEGMENT REPORTING

In a manner consistent with the way in which information is reported internally to the Group's 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:

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

Performance is evaluated on the basis of profit or loss from operations before taxation. Inter-segment pricing is determined on an arm's length basis. The Group's measurement methods used to determine reported segment profit or loss remain unchanged from Year 2010/2011.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

2. SEGMENT REPORTING (Cont'd)

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

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

	Principal investment US\$'000	Property development and investment US\$'000	Hospitality and leisure 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 2011							
Turnover	845,054	35,897	654,588	3,841	—	—	1,539,380
Revenue from external customers	33,087	35,897	654,588	3,841	—	—	727,413
Inter-segment revenue	27	490	—	883	—	—	1,400
Reportable segment revenue	33,114	36,387	654,588	4,724	—	—	728,813
Operating profit/(loss)	(382,719)	(21,678)	60,432	669	37,359	—	(305,937)
Finance cost	(7,708)	(14,923)	(22,016)	(37)	—	—	(44,684)
Share of profits of associates	—	1,805	—	—	—	40,018	41,823
Share of profits less losses of jointly controlled entities	—	1,132	—	—	—	—	1,132
Profit/(loss) before taxation	(390,427)	(33,664)	38,416	632	37,359	40,018	(307,666)
For the six months ended 31 December 2010							
Turnover	2,840,620	169,194	213,821	4,481	—	—	3,228,116
Revenue from external customers	28,754	169,194	213,821	4,481	—	—	416,250
Inter-segment revenue	818	505	—	314	—	—	1,637
Reportable segment revenue	29,572	169,699	213,821	4,795	—	—	417,887
Operating profit	322,183	37,630	44,934	896	18,653	—	424,296
Finance cost	(1,099)	(9,670)	(18,678)	(69)	—	—	(29,516)
Profit on disposal of an associate	41,727	—	—	—	—	—	41,727
Share of profits of associates	741	5,670	1,282	—	—	93,407	101,100
Share of profits less losses of jointly controlled entities	—	3,107	—	—	—	—	3,107
Profit before taxation	363,552	36,737	27,538	827	18,653	93,407	540,714

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

2. SEGMENT REPORTING (Cont'd)

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

Revenue

	Six months ended 31 December	
	2011 US\$'000	2010 US\$'000
Reportable segment revenue	728,813	417,887
Elimination of inter-segment revenue	(1,400)	(1,637)
Consolidated revenue (note 3)	727,413	416,250

Finance cost

	Six months ended 31 December	
	2011 US\$'000	2010 US\$'000
Reportable finance cost	(44,684)	(29,516)
Elimination of inter-segment finance cost	27	818
Consolidated finance cost (note 5(a))	(44,657)	(28,698)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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	
	2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
The People's Republic of China				
Hong Kong	37,568	32,019	(389,127)	322,263
Mainland China	20,893	141,568	(Note) 1,150	34,416
United Kingdom and Continental Europe	637,699	198,666	45,661	29,790
Singapore	14,590	21,484	(Note) (40,540)	(4,996)
Australasia and others	16,663	22,513	(Note) 32,235	13,307
	727,413	416,250	(350,621)	394,780

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 the percentage of completion method adopted by GuocoLand Limited ("GuocoLand") for residential projects under progressive payment schemes in Singapore from financial period commencing 1 July 2011.

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

Accordingly, operating profits of GuocoLand for the period amounting to US\$43.0 million in Singapore have been deferred for recognition in the Group accounts. The Group has not recognised any operating profits of GuocoLand which have been deferred in previous years in Singapore. Up to 31 December 2011, accumulated operating profits of GuocoLand totalling US\$128.2 million in Singapore have been deferred for recognition, and will be recognised by the Group upon completion of the relevant development projects in subsequent years.

In the previous corresponding period ended 31 December 2010, operating profits of GuocoLand for the period amounting to US\$22.9 million and US\$1.2 million in Singapore and Mainland China and other countries respectively had been deferred for recognition in the Group accounts. The Group had recognised operating profits of GuocoLand which had been deferred in previous years amounting to US\$nil and US\$17.7 million in Singapore and Mainland China and other countries respectively for those development projects completed during the period. Up to 31 December 2010, accumulated operating profits of GuocoLand totalling US\$53.0 million in Singapore and US\$39.2 million in Mainland China and other countries had been deferred for recognition.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

3. TURNOVER AND REVENUE

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

	Six months ended 31 December	
	2011 (Unaudited) US\$'000	2010 (Unaudited) US\$'000
Revenue from sale of properties	22,688	156,989
Revenue from hotel and gaming operations	649,197	209,720
Interest income	10,082	12,819
Dividend income from listed securities	31,887	22,312
Rental income from properties	7,934	9,344
Securities commission and brokerage	2,842	3,696
Others	2,783	1,370
Revenue	727,413	416,250
Proceeds from sale of investments in securities	811,967	2,811,866
Turnover	1,539,380	3,228,116

4. OTHER REVENUE AND NET (LOSSES)/INCOME

(a) Other revenue

	Six months ended 31 December	
	2011 (Unaudited) US\$'000	2010 (Unaudited) US\$'000
Sublease income	4,402	3,770
Bass Strait oil and gas royalty	31,275	22,274
Hotel management fee	5,434	3,011
Others	9,890	1,955
	51,001	31,010

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

(b) Other net (losses)/income

	Six months ended 31 December	
	2011 (Unaudited) US\$'000	2010 (Unaudited) US\$'000
Net realised and unrealised (losses)/gains on trading financial assets	(459,214)	287,951
Net realised and unrealised (losses)/gains on derivative financial instruments	(5,602)	688
Net realised gains on disposal of available-for-sale financial assets	62,947	1,564
Net gains on foreign exchange contracts	1,384	6,841
Other exchange (losses)/gains	(6,384)	28,845
Net (losses)/gains on disposal of fixed assets	(93)	39
Other income	735	350
	(406,227)	326,278

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

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

(a) Finance cost

	Six months ended 31 December	
	2011 (Unaudited) US\$'000	2010 (Unaudited) US\$'000
Interest on bank advances and other borrowings wholly repayable within five years	74,658	30,297
Other borrowing costs	18,440	17,817
Total borrowing costs	93,098	48,114
Less: borrowing costs capitalised into:		
— development properties (Note)	(38,617)	(19,416)
— investment properties (Note)	(9,824)	—
Total borrowing costs capitalised	(48,441)	(19,416)
	44,657	28,698

Note:

These borrowing costs have been capitalised at rates of 0.9% to 6.4% per annum (2010: 0.7% to 6.0%).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

(b) Staff cost

	Six months ended 31 December	
	2011 (Unaudited) US\$'000	2010 (Unaudited) US\$'000
Salaries, wages and other benefits	218,684	71,718
Retirement scheme contributions	6,159	2,313
	224,843	74,031

(c) Other items

	Six months ended 31 December	
	2011 (Unaudited) US\$'000	2010 (Unaudited) US\$'000
Depreciation	40,415	13,721
Amortisation		
— Bass Strait oil and gas royalty	2,223	3,607
— casino licences and brand name	4,718	—
Gross rental income from investment properties	(7,934)	(9,344)
Less: direct outgoings	1,512	1,938
Net rental income	(6,422)	(7,406)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

6. TAX EXPENSES

Tax expenses in the consolidated income statement represent:

	Six months ended 31 December	
	2011 (Unaudited) US\$'000	2010 (Unaudited) US\$'000
Hong Kong Profits Tax	(963)	(2,807)
Overseas taxation	(22,250)	(17,131)
Deferred taxation	914	(7,226)
	(22,299)	(27,164)

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2010: 16.5%) to the profits for the six months ended 31 December 2011. 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	
	2011 (Unaudited) US\$'000	2010 (Unaudited) US\$'000
Year 2010/2011: Final dividend paid of HK\$2.20 per ordinary share (Year 2009/2010: HK\$2.00 per ordinary share)	91,870	83,861
Year 2011/2012: Interim dividend declared of HK\$0.50 per ordinary share (Year 2010/2011: HK\$1.00 per ordinary share)	21,178	42,332

The interim dividend declared for the year ending 30 June 2012 of US\$21,178,000 (2011: US\$42,332,000) is calculated based on 329,051,373 ordinary shares (2010: 329,051,373 ordinary shares) in issue as at 31 December 2011.

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to shareholders of the Company of US\$334,050,000 (2010: profit of US\$494,221,000) and the weighted average number of 325,024,511 ordinary shares (2010: 325,024,511 ordinary shares) in issue during the period.

(b) Diluted (loss)/earnings per share

For the period ended 31 December 2011, the potential ordinary shares outstanding during the period has an anti-dilutive effect on the basic earnings per share.

For the period ended 31 December 2010, the calculation of diluted earnings per share was based on the profit attributable to shareholders of the Company of US\$494,216,000 and the weighted average number of 325,024,511 ordinary shares in issue during the period after adjusting for the effect of all dilutive potential ordinary shares.

9. FIXED ASSETS

During the six months ended 31 December 2011, the Group acquired fixed assets with a cost of US\$73,298,000 (six months ended 31 December 2010: US\$20,403,000). The Group disposed of fixed assets with a net book value of US\$610,000 during the six months ended 31 December 2011 (six months ended 31 December 2010: US\$39,000).

10. DEVELOPMENT PROPERTIES

	At 31 December 2011 (Unaudited) US\$'000	At 30 June 2011 (Audited) US\$'000
Cost	4,577,639	3,980,260
Less: Impairment loss	(10,933)	(18,112)
Progress instalments received and receivable	(528,199)	(432,286)
	4,038,507	3,529,862

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

11. TRADE AND OTHER RECEIVABLES

	At 31 December 2011 (Unaudited) US\$'000	At 30 June 2011 (Audited) US\$'000
Trade debtors	99,546	310,023
Deposits and prepayments	142,823	231,376
Derivative financial instruments, at fair value	24,466	5,874
Interest receivables	550	1,385
	267,385	548,658

Included in trade and other receivables is US\$5.3 million (30 June 2011: US\$7.1 million) which is expected to be recovered after 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 end of the reporting period:

	At 31 December 2011 (Unaudited) US\$'000	At 30 June 2011 (Audited) US\$'000
Current	48,706	296,613
1 to 3 months	41,290	4,819
More than 3 months	9,550	8,591
	99,546	310,023

12. TRADE AND OTHER PAYABLES

	At 31 December 2011 (Unaudited) US\$'000	At 30 June 2011 (Audited) US\$'000
Trade creditors	89,660	104,588
Other payables and accrued operating expenses	416,418	588,295
Derivative financial instruments, at fair value	32,022	23,241
Amounts due to fellow subsidiaries	5,186	12,117
Amounts due to associates	35	38
Amounts due to jointly controlled entities	305	320
	543,626	728,599

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

12. TRADE AND OTHER PAYABLES (Cont'd)

Included in trade and other payables is US\$2.2 million (30 June 2011: US\$60.2 million) which is expected to be payable after one year.

Included in trade and other payables are trade creditors with the following ageing analysis as of the end of the reporting period:

	At 31 December 2011 (Unaudited) US\$'000	At 30 June 2011 (Audited) US\$'000
Due within 1 month or on demand	67,371	85,420
Due after 1 month but within 3 months	16,906	3,432
Due after 3 months	5,383	15,736
	89,660	104,588

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 2011 (Unaudited) US\$'000	At 30 June 2011 (Audited) US\$'000
Bank loans		
— Secured	1,531,997	1,601,603
— Unsecured	1,104,644	1,168,429
	2,636,641	2,770,032
Other loans		
— Secured	440,995	782,601
— Unsecured	4,459	4,495
	445,454	787,096
Unsecured medium term notes repayable within 1 year	53,784	40,671
Convertible bonds	293,487	304,554
	3,429,366	3,902,353

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

	At 31 December 2011 (Unaudited) US\$'000	At 30 June 2011 (Audited) US\$'000
Bank loans		
— Secured	627,964	830,727
— Unsecured	734,148	324,979
	1,362,112	1,155,706
Other loans		
— Unsecured	25,965	28,962
Unsecured medium term notes and bonds	535,189	621,874
Secured mortgage debenture stock	341,025	383,618
	2,264,291	2,190,160

15. SHARE CAPITAL

	At 31 December 2011		At 30 June 2011	
	No. of shares (Unaudited) '000	(Unaudited) US\$'000	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 2011, 4,026,862 ordinary shares (30 June 2011: 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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

	At 31 December 2011 (Unaudited) US\$'000	At 30 June 2011 (Audited) US\$'000
Authorised and contracted for	29,802	40,210

The commitment in respect of development expenditure contracted but not provided for in the interim financial report by the Group was US\$890.5 million (30 June 2011: US\$792.4 million), in respect of purchase of land was US\$nil (30 June 2011: US\$376.3 million).

17. CONTINGENT LIABILITIES

(a) GuocoLeisure

GuocoLeisure Limited ("GuocoLeisure") has given a guarantee to the buyer of various hotel businesses sold in 2002 that the aggregate Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") of the businesses will not be less than US\$42.7 million (30 June 2011: US\$44.4 million) per calendar year thereafter until 4 April 2012. The maximum liability under the guarantee is US\$42.7 million (30 June 2011: US\$44.4 million).

(b) GuocoLand

In November 2007, GuocoLand (China) Limited ("GLC"), a wholly owned subsidiary of GuocoLand, acquired a 90% equity interest in a company that owns 100% interest in a mixed development property project in Beijing ("DZM Project Company"). There have since been legal disputes between GLC and the vendor of the 90% interest in the DZM Project Company over the title of the equity interest and claims by other parties against DZM Project Company under guarantees purportedly entered into by DZM Project Company. Full details of the legal disputes and claims have been disclosed in the previous annual report. There have been no further developments during the period.

(c) Rank

(i) Rank liabilities relating to Fiscal Neutrality Case

On 10 November 2011, the European Court of Justice ("ECJ") released its findings on Rank's VAT case on fiscal neutrality. Rank and HM Revenue & Customs ("HMRC") have agreed that the ECJ found in favour of Rank on its bingo claims. Thus, the directors no longer consider that it necessary to disclose these claims as a contingent liability.

The ECJ also ruled on Rank's amusement machines claim. In May 2010, Rank received GBP30.8 million (VAT of GBP26.4 million plus interest of GBP4.4 million) relating to a claim for repayment of overpaid VAT on amusement machines. The ECJ's decision on Rank's amusement machines claim was not conclusive. Therefore, this part of the appeal will be referred back to the UK courts. The hearing for the case will be held on 14 March 2012 at the Upper Tribunal.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

17. CONTINGENT LIABILITIES (Cont'd)

(c) Rank (Cont'd)

(ii) *Grosvenor liability relating to irrecoverable VAT*

Rank has been in negotiation with HMRC for several years on the means by which it calculates the amount of irrecoverable VAT in Grosvenor Casinos. The difference in Rank's position as against HMRC's position for the period under negotiation (July 2007 to June 2011) amounts to an estimated GBP7.5 million.

The point of dispute between Rank and HMRC was the subject of litigation by another, similar, taxpayer. In that case, the Court of Appeal ruled that HMRC's position was incorrect. This was the latest in a string of appeals on this point. Precedent case law indicates that Rank's position is correct and on that basis the irrecoverable VAT charge has been adjusted accordingly. In the event this was not the case, Rank would have to pay the VAT in dispute (see above) plus interest.

The directors consider that, in respect of all contingent liabilities disclosed above, it is more likely than not that no outflow will arise.

18. MATERIAL RELATED PARTY TRANSACTIONS

(a) Banking transactions

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

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

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

(i) *Income*

	Six months ended 31 December	
	2011 (Unaudited) US\$'000	2010 (Unaudited) US\$'000
Interest income	42	93

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

18. MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

(a) Banking transactions (Cont'd)

(ii) Balance as

	At 31 December 2011 (Unaudited) US\$'000	At 30 June 2011 (Audited) US\$'000
Cash and short term funds	12,695	18,998

(b) Management fee

On 4 July 2011, the Company renewed its 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 2011 to 30 June 2014. Total amount paid or provided for in respect of management fees to GOMC and GGMC for the period ended 31 December 2011 amounted to US\$155,000 (2010: US\$1,853,000) and US\$2,537,000 (2010: US\$11,672,000) respectively.

On 4 July 2011, the Company renewed its 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 2011 to 30 June 2014. Total amount paid or provided for in respect of management fees to HLMC for the period ended 31 December 2011 amounted to US\$198,000 (2010: US\$90,000).

The previous two master service agreements entered into between the Group and the subsidiaries of HLCM expired on 30 June 2011.

19. HONG KONG DOLLAR AMOUNTS

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

20. REVIEW BY BOARD AUDIT COMMITTEE

The unaudited interim results for the six months ended 31 December 2011 have been reviewed by the Board Audit Committee of the Company. The information in these interim results does not constitute statutory accounts.

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.

UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the changes in information on the Company's directors are set out below:

1. Mr Quek Leng Chan resigned as the Executive Chairman and director of Hong Leong Industries Berhad ("HLI") and Narra Industries Berhad ("Narra"), both are Malaysian listed subsidiaries of Hong Leong Company (Malaysia) Berhad ("HLCM", the ultimate holding company of the Company), with effect from 9 February 2012 and 21 February 2012 respectively; and
2. Mr Kwek Leng San relinquished office as President & Chief Executive Officer of HLI and Hume Industries (Malaysia) Sdn Bhd ("HIMSB", an indirect Malaysian subsidiary of HLCM which was privatised and delisted from the official list of Bursa Malaysia Securities Berhad in April 2010) and appointed as Chairman of HLI and HIMSB on 9 February 2012. He has also relinquished office as Managing Director of Narra and appointed as Chairman of Narra on 21 February 2012.

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

As at 31 December 2011, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of the Company ("Model Code") were disclosed as follows in accordance with the Listing Rules. Certain information herein is based on additional information of the relevant events on or before 31 December 2011 with the disclosure deadlines under the SFO falling after 31 December 2011.

(A) The Company

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of the Company	Note
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	1,056,325	245,175,391	246,231,716	74.83%	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:

- The total interests of 246,231,716 shares/underlying shares comprised 241,031,716 ordinary shares of the Company and 5,200,000 underlying shares of other unlisted derivatives.

The corporate interests of 245,175,391 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuoLine Overseas Limited ("GOL")	235,348,529
GuoLine Capital Limited ("GCL")	5,200,000
Asian Financial Common Wealth (PTC) Limited ("AFCW")	4,026,862
Chaghese Limited ("CL")	600,000

AFCW was wholly owned by the Company which was in turn 71.52% 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 49.27% owned by Mr Quek Leng Chan as to 2.424% under his personal name, 46.534% via HL Holdings Sdn Bhd ("HLH") which was wholly owned by him and 0.311% via Newton (L) Limited ("NLL"). NLL was wholly owned by Newton Capital Group Limited which was 2.424% owned by Mr Quek Leng Chan and 46.534% owned by HLH.

CL was wholly owned by Mr Quek Leng Chan.

- The corporate interests of 691,125 shares were directly held by Khattar Holdings Pte Ltd which was 51% owned by Mr Sat Pal Khattar.

(B) Associated Corporations

- Hong Leong Company (Malaysia) Berhad ("HLCM")*

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of HLCM	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	390,000	7,537,100	7,927,100	49.27%	Note
Kwek Leng Hai	420,500	—	420,500	2.61%	
Kwek Leng San	117,500	—	117,500	0.73%	

* Ordinary shares

SUPPLEMENTARY INFORMATION

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

(B) Associated Corporations (Cont'd)

a) *Hong Leong Company (Malaysia) Berhad ("HLCM") (Cont'd)*

Note:

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

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

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

b) *GuocoLand Limited ("GLL")*

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of GLL	Notes
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	13,333,333	864,397,124	877,730,457	74.17%	1
Kwek Leng Hai	35,290,914	—	35,290,914	2.98%	
Sat Pal Khattar	—	18,475,308	18,475,308	1.56%	2
Tan Lim Heng	1,337,777	—	1,337,777	0.11%	
Volker Stoeckel	1,461,333	—	1,461,333	0.12%	

* Ordinary shares unless otherwise specified in the Notes

Notes:

- The total interests of 877,730,457 shares/underlying shares comprised 831,244,363 ordinary shares of GLL, 46,258,994 underlying shares of other unlisted derivatives and 227,100 underlying shares of other listed derivatives.

The corporate interests of 864,397,124 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuocoLand Assets Pte Ltd ("GAPL")	772,032,426
GuoLine Capital Limited ("GCL")	46,258,994
Hong Leong Insurance (Asia) Limited ("HLIA")	227,100
Newton (Cayman) Limited ("NCL")	32,461,318
Chaghese Limited ("CL")	13,417,286

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

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

NCL was wholly owned by Newton Resources Sdn Bhd which was in turn wholly owned by Newton (L) Limited ("NLL"). The controlling shareholders of NLL as well as their respective 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)

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

Notes: (Cont'd)

2. The corporate interests of 18,475,308 shares comprised the respective direct interests held by:-

	Number of shares
Khattar Holdings Pte Ltd ("KHP")	15,919,754
Espeekay Holdings Pte Ltd ("EHP")	1,333,333
Khattar Capital International Pte Ltd ("KCIP")	1,222,221

KHP and EHP were 51% and 50% owned by Mr. Sat Pal Khattar respectively. KCIP was wholly owned by Sassoon Holdings Pte Ltd which was in turn wholly owned by KHP.

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

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of HLFG	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	4,989,600	856,803,000	861,792,600	81.86%	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	0.02%	

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 861,792,600 shares/underlying shares comprised 824,903,500 ordinary shares of HLFG and 36,889,100 underlying shares of other unlisted derivatives.

The corporate interests of 856,803,000 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")	36,889,100
Guoco Assets Sdn Bhd ("GASB")	267,079,946
Soft Portfolio Sdn Bhd ("SPSB")	6,057,000

GASB was 45.45% and 54.55% owned by the Company and GA Investment Limited ("GAIL") respectively. GAIL was wholly owned by the Company. HLSRS was wholly owned by HLCM Capital Sdn Bhd which was in turn 35.21% and 64.79% owned by HLCM and Adjuvant (M) Sdn Bhd ("AMSB") respectively. AMSB was wholly owned by HLCM.

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") (Cont'd)*

Note (Cont'd)

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

SPSB was 99% owned by Mr Quek Leng Chan.

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

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of GLM	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	19,506,780	476,928,096	496,434,876	70.87%	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*

Note:

The total interests of 496,434,876 shares/underlying shares comprised 474,705,376 ordinary shares of GLM and 21,729,500 underlying shares of other unlisted derivatives.

The corporate interests of 476,928,096 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")	21,797,516

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.

SUPPLEMENTARY INFORMATION

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

(B) Associated Corporations (Cont'd)

e) *GuocoLeisure Limited ("GL")*

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of GL
	Personal interests	Corporate interests	Total interests	
Quek Leng Chan	735,000	910,261,434	910,996,434	66.59% Note
Tan Lim Heng	950,000	—	950,000	0.07%

* *Ordinary shares*

Note:

The corporate interests of 910,261,434 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.

f) *Hong Leong Industries Berhad ("HLI")*

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of HLI
	Personal interests	Corporate interests	Total interests	
Kwek Leng Hai	190,000	—	190,000	0.06%
Sat Pal Khattar	198,580	348,500	547,080	0.17% Note
Kwek Leng San	2,520,000	—	2,520,000	0.79%

* *Ordinary shares*

Note:

The corporate interests of 348,500 shares were held by Khattar Capital International Pte Ltd ("KCIP"). KCIP was wholly owned by Sassoon Holdings Pte Ltd which was in turn wholly owned by Khattar Holdings Pte Ltd ("KHP"). KHP was 51% owned by Mr Sat Pal Khattar.

g) *Hong Leong Bank Berhad ("HLB")*

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of HLB
	Personal interests	Corporate interests	Total interests	
Kwek Leng Hai	4,750,000	—	4,750,000	0.26%
Sat Pal Khattar	352,800	—	352,800	0.02%
Kwek Leng San	462,000	—	462,000	0.03%

* *Ordinary shares*

SUPPLEMENTARY INFORMATION

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

(B) Associated Corporations (Cont'd)

h) Hong Leong Capital Berhad ("HLCB")

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

* Ordinary shares

i) Malaysian Pacific Industries Berhad ("MPI")

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of MPI
	Personal interests	Corporate interests	Total interests	
Kwek Leng Hai	71,250	—	71,250	0.04%
Sat Pal Khattar	284,468	130,688	415,156	0.21% Note
Kwek Leng San	1,260,000	—	1,260,000	0.63%

* Ordinary shares

Note:

The corporate interests of 130,688 shares were held by Khattar Capital International Pte Ltd ("KCIP"). KCIP was wholly owned by Sassoon Holdings Pte Ltd which was in turn wholly owned by Khattar Holdings Pte Ltd ("KHP"). KHP was 51% owned by Mr Sat Pal Khattar.

j) Narra Industries Berhad ("NIB")

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of NIB
	Personal interests	Corporate interests	Total interests	
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 Hong Leong Manufacturing Group Sdn Bhd ("HLMG"). HLMG was wholly 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	Number of *shares (Long Position)			Approx. % of the issued share capital of LSHK
	Personal interests	Corporate interests	Total interests	
Kwek Leng Hai	2,300,000	—	2,300,000	0.95%
Tan Lim Heng	274,000	—	274,000	0.11%
Ding Wai Chuen	10,000	—	10,000	0.00%

* Ordinary shares

(C) Others

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

Carsem (M) Sdn Bhd	Hong Leong Industries Berhad
Carter Realty Sdn Bhd	Hong Leong MSIG Takaful Berhad
Century Touch Sdn Bhd (formerly known as Guocera Tile Industries (Labuan) Sdn Bhd)	Hong Leong Yamaha Motor Sdn Bhd
Guangzhou Lam Soon Food Products Limited	Kwok Wah Hong Flour Company Limited
Guocera Tile Industries (Meru) Sdn Bhd	Lam Soon (Hong Kong) Limited
Guocera Tile Industries (Vietnam) Co., Ltd	Luck Hock Venture Holdings, Inc.
GuocoLand Limited*	M.C. Packaging Offshore Limited
Hong Leong Assurance Berhad	Malaysian Pacific Industries Berhad
Hong Leong Bank Berhad	RZA Logistic Sdn Bhd
Hong Leong Capital Berhad	The Rank Group Plc

* In respect of interests in debentures only

The Company applied for and the Stock Exchange granted a waiver from full compliance with the disclosure requirements in respect of details of the deemed interests of Mr Quek Leng Chan in the above associated corporations under Paragraph 13(1) 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 2011, 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.

SUPPLEMENTARY INFORMATION

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.

The Share Option Scheme expired on 28 November 2011. No option had ever been granted pursuant to the Share Option Scheme since its establishment.

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 2011.

GuocoLand Limited ("GLL")

GuocoLand Limited Executives' Share Option Scheme (the "GLL ESOS" and amended to be known as "Modified 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 both 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").

As the Modified GLL ESOS was due to expire on 30 December 2008, a new GuocoLand Limited Executives' Share Option Scheme 2008 (the "GLL ESOS 2008") was adopted in place of the Modified GLL ESOS on 21 November 2008, to provide for continuation of an executives' share option scheme on terms substantially similar to the Modified GLL ESOS. With the GLL ESOS 2008 in place, the Modified GLL ESOS is no longer in force. The termination of the Modified GLL ESOS however does not affect outstanding options which had been granted and accepted thereunder.

As at 1 July 2011, outstanding options granted under the Modified GLL ESOS comprised 25,862,893 GLL shares. During the six months ended 31 December 2011, no options were granted as the scheme had been terminated and no options were exercised. Options comprising 7,302,464 GLL shares lapsed arising from the resignation of a grantee in November 2011. As at 31 December 2011, the number of GLL shares comprised in the outstanding options was 18,560,429.

SUPPLEMENTARY INFORMATION

SHARE OPTIONS (Cont'd)

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

GuocoLand Limited Executives' Share Option Scheme (the "GLL ESOS" and amended to be known as "Modified GLL ESOS") (Cont'd)

Details of the said options are as follows:

Date of grant	Grantees	No. of GLL shares comprised in options			Notes	Exercise price per GLL share
		As at 1 Jul 2011	Lapsed during the period	As at 31 Dec 2011		
19 January 2007	Quek Chee Hoon	12,170,773	—	12,170,773	1 & 2	S\$2.177
	Other employees	13,692,120	7,302,464	6,389,656	1	S\$2.177
	Total:	25,862,893		18,560,429		

Notes:

- Subject to certain financial and performance targets being met by the grantees during the performance period for the financial years 2005/06 to 2010/11, the grantees may after the end of the performance period 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, grantees shall have a phased period of up to 30 months to exercise the vested options in accordance with the terms of the grant.
- Mr Quek Chee Hoon, the Group President and Chief Executive Officer of GLL, is an option holder under Rule 17.07(ii) of the Listing Rules.

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

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

As at 1 July 2011, outstanding options granted under the GLL ESOS 2008 comprised 7,752,425 GLL shares. During the six months ended 31 December 2011, no options were granted and no options were exercised nor had any options lapsed. As at 31 December 2011, the number of GLL shares comprised in the outstanding options was 7,752,425.

Details of the said options are as follows:

Date of grant	Grantees	No. of GLL shares comprised in options			Notes	Exercise price per GLL share
		As at 1 Jul 2011	Lapsed/ exercised during the period	As at 31 Dec 2011		
28 September 2009	Employees	7,752,425	—	7,752,425	Note	S\$2.142
	Total:	7,752,425		7,752,425		

SUPPLEMENTARY INFORMATION

SHARE OPTIONS (Cont'd)

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

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

Note:

Subject to certain financial and performance targets being met by the grantees during the performance period for the financial years 2009/10 to 2011/12, the grantees may at the end of the performance period be notified by the GLL ESOS Committee of the vesting of the options. Thereafter, grantees shall have a phased period of up to 30 months to exercise the vested options in accordance with the terms of the grant.

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 for the purpose of compliance with Chapter 17 of the Listing Rules. The GL ESOS 2008 allows the grant of options over newly issued and/or existing shares of GL to eligible participants including employees and executive directors of GL and its subsidiaries who are not controlling shareholders of GL.

As at 1 July 2011, outstanding options granted under GL ESOS 2008 comprised 5,300,000 GL shares. During the six months ended 31 December 2011, no options were granted and no options were exercised nor had any options lapsed. As at 31 December 2011, the number of GL shares comprised in the outstanding options granted under the GL ESOS 2008 was 5,300,000.

Details of the said options are as follows:

Date of grant	Grantees	No. of GL shares comprised in options			Exercise price per GL share
		As at 1 Jul 2011	Lapsed/ Exercised during the period	As at 31 Dec 2011	
16 December 2010	Employees	5,300,000	—	5,300,000	Note
	Total:	<u>5,300,000</u>		<u>5,300,000</u>	

Note:

The options will have a validity period commencing from the date of grant on 16 December 2010 and expiring on 16 March 2014. Each tranche of shares underlying the options granted will be exercisable for periods of between 3 to 6 months from the respective dates of vesting, with the last tranche of shares underlying the options having a validity period which expires on 16 March 2014.

SUPPLEMENTARY INFORMATION

SHARE OPTIONS (Cont'd)

GuocoLand (Malaysia) Berhad (“GLM”)

Executive Share Option Scheme (the “GLM ESOS”)

The GLM ESOS 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”).

No options had been granted under the Modified GLM ESOS since its establishment.

On 11 October 2011, the shareholders of GLM had approved the termination of the Modified GLM ESOS and the establishment of a new Executive Share Option Scheme (the “New GLM ESOS”). The New GLM ESOS was further approved by the shareholders of the Company pursuant to Chapter 17 of the Listing Rules on 25 November 2011 to replace the Modified GLM ESOS. The GLM board shall determine the effective date of the New GLM ESOS as soon as practicable after the date of full compliance with all the relevant Listing Requirements of Bursa Malaysia Securities Berhad. Under the New GLM ESOS, options may be granted over newly issued and/or existing shares of GLM to eligible participants including any executive or director of GLM and its subsidiaries.

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.

SUPPLEMENTARY INFORMATION

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

As at 31 December 2011, 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 & 2	74.28%
HL Holdings Sdn Bhd ("HLH")	Interest of controlled corporations	244,425,391	2 & 3	74.28%
Hong Leong Investment Holdings Pte Ltd ("HLInv")	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%
First Eagle Investment Management, LLC (formerly known as Arnhold and S. Bleichroeder Advisers, LLC)	Investment Manager	23,042,704		7.00%
Third Avenue Management LLC	Investment Manager	16,440,300		5.00%
Artisan Partners Limited Partnership ("APLP")	Investment Manager	16,453,132	7	5.00%
Artisan Partners Holdings LP ("APHL")	Investment Manager	16,453,132	7 & 8	5.00%
ZFIC, Inc. ("ZFIC")	Investment Manager	16,453,132	7 & 9	5.00%

Notes:

- These interests comprised 239,225,391 ordinary shares of the Company and 5,200,000 underlying shares of other 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 71.52% owned by GOL. GOL and GCL were wholly owned by GuoLine Capital Assets Limited which was in turn wholly owned by HLCM.

- The interests of HLCM, HLH, HLInv, Davos and KLK are duplicated.
- HLH was deemed to be interested in these interests through its controlling interests in HLCM which was 49.27% owned by Mr Quek Leng Chan as to 2.424% under his personal name, 46.534% via HLH which was wholly owned by him and 0.311% via Newton (L) Limited.

SUPPLEMENTARY INFORMATION

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

Notes: (Cont'd)

4. HLLnt was deemed to be interested in these interests through its controlling interests of 34.69% in HLCM.
5. Davos was deemed to be interested in these interests through its controlling interests of 33.59% in HLLnt.
6. KLK was deemed to be interested in these interests through his controlling interests of 41.92% in Davos.
7. The interests of APLP, APHL and ZFIC are duplicated.
8. APHL was deemed to be interested in these interests through its controlling interests of 100% in both APLP and Artisan Investments GP LLC.
9. ZFIC was deemed to be interested in these interests through its controlling interests of 100% in Artisan Investment Corporation which wholly owned APHL.

Save as disclosed above, as at 31 December 2011, 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 on 16 March 2012, on which date 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 2012.

By order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 29 February 2012