

2007/08

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



國浩集團有限公司

Guoco Group Limited

A Member of the Hong Leong Group
(Stock Code: 53)

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CORPORATE INFORMATION

Board of Directors

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

* *Non-executive director*

** *Independent non-executive director*

Board Audit Committee

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

Board Remuneration Committee

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

Qualified Accountant

Allan Tsang Cho Tai

Company Secretary

Stella Lo Sze Man

Place of Incorporation

Bermuda

Registered Office

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 Hamilton HM 12, Bermuda

Principal Office

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 99 Queen's Road Central
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Branch Share Registrars

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 17th Floor, Hopewell Centre
 183 Queen's Road East, Hong Kong

Financial Calendar

Interim results announcement	22 February 2008
Closure of Register of Members	11 March 2008 to 14 March 2008
Interim dividend of HK\$1.00 per share payable on	17 March 2008

FINANCIAL RESULTS

The unaudited consolidated profit attributable to shareholders for the six months ended 31 December 2007, after taxation and minority interests amounted to HK\$1,021 million, representing a decrease of 36% over that of last year. Earnings per share amounted to HK\$3.14.

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

- total interest income of HK\$865 million;
- property operations of HK\$802 million;
- hospitality and leisure business of HK\$307 million;
- total net exchange gain (including foreign exchange contracts) of HK\$203 million;
- contribution from associates and jointly controlled entities of HK\$191 million;
- dividend income of HK\$99 million; and offset by
- total realised and unrealised losses on investments of HK\$225 million.

Overall turnover increased by 66% to HK\$14.5 billion due mainly to the increase of HK\$3.1 billion from proprietary asset management.

The turnover for property development segment also increased by HK\$2.2 billion.

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK\$1.00 per share amounting to approximately HK\$329 million (2006/2007 interim dividend: HK\$1.00 per share amounting to approximately HK\$329 million) for the financial year ending 30 June 2008 which will be payable on 17 March 2008 to the shareholders whose names appear on the Register of Members on 14 March 2008.

REVIEW OF OPERATIONS

Proprietary Asset Management

The second half of 2007 was an extremely volatile period for global financial markets. Continued correction in US home prices and the resulting pressure on the subprime mortgage valuation triggered a global credit market squeeze from late summer. Monetary authorities around the globe were quick to inject massive liquidity into the financial system and interest rates were cut in a number of countries. Financial markets initially reacted favourably to these moves but selling re-emerged in the last two months of 2007 when there was clear evidence that financial losses had not been contained and global economic growth could be adversely affected.

Our investment teams exercised caution when managing the investment process during the period. The portfolio size was cut substantially with most of the selling related to our trading positions, as we believed that markets could face further downside risk in coming months. In China and Hong Kong, we also gradually reduced our exposures given ongoing economic tightening measures introduced by the authorities as well as expensive valuation commanded by most counters. We continued to put a major focus on identifying under-valued and defensive counters that were less likely to be affected by movements in the general markets.

The current credit market turmoil poses a serious threat to global economic growth and financial system stability. While central banks in developed countries have already taken a proactive approach to counter the negative impact from the credit market turmoil, including aggressive interest rate cuts implemented by the Fed, it is still too early to expect the market volatility to subside. However, it should be recognised that the current correction presents long-term buying potential, as value is starting to emerge in selected sectors and individual stock situations. We will monitor market development closely with a view of identifying attractive and long-term investment opportunities.

REVIEW OF OPERATIONS (Cont'd)

Proprietary Asset Management (Cont'd)

The Group has an investment in Pepsi-Cola Products Philippines, Inc ("PCPPI"), a licensed bottler of PepsiCo beverages in the Philippines which manufactures a range of carbonated and non-carbonated beverages and distributes them to retail outlets throughout the Philippines. On 1 February 2008, PCPPI has successfully launched an IPO exercise to list its shares on the Philippine Stock Exchange, Inc. The Group has sold part of its stake for proceeds of approximately US\$18 million. The Group's shareholding in PCPPI has decreased from 40.3% to 30.1% after the exercise.

We continue to actively manage the currency overlays of our equity investments in various countries. Forex forward contracts as well as currency borrowings were used to hedge the currency exposures of the various equity portfolios. Also, appropriate financial instruments are utilized to manage its interest rate and foreign currency exposures including standard interest rate and currency swaps.

Property Development and Investment

GuocoLand Limited ("GLL") – 64.1% controlled by Guoco

For the half year ended 31 December 2007, the GLL Group reported a net profit of S\$60.6 million, an increase of 15% compared to the previous corresponding period.

The GLL Group's revenue and cost of sales increased by 114% and 83% respectively compared to the previous corresponding period mainly due to higher revenue and cost of sales recognised for the GLL Group's property development projects in Singapore and China.

Gross profit increased from S\$17.5 million to S\$91.1 million primarily due to strong profit contribution from sales of West End Point in Beijing.

Other income decreased from S\$48.6 million to S\$45.1 million mainly due to a non-recurring profit of S\$19.3 million arising from the sale of the GLL Group's long-term investment in the previous corresponding period. The decrease in other income was offset by higher net foreign exchange gains of S\$22.5 million from revaluation of USD bank loans. Other expenses increased from S\$7.2 million to S\$16.9 million principally due to higher mark-to-market losses of S\$12.6 million on the forward contracts entered into by the GLL Group to hedge its USD bank loans. Finance costs increased by 47% to S\$21.1 million due to increase in bank loans and convertible bonds.

Singapore

The GLL Group has three launched developments on the market in Singapore: Le Crescendo, The View @ Meyer and The Quartz.

In October 2007, the GLL Group entered into a conditional collective sale and purchase agreement to acquire the freehold property known as Toho Garden condominium located at Yio Chu Kang Road. The acquisition is expected to be completed in March 2008.

In November and December 2007, the GLL Group completed the enbloc acquisitions of Palm Beach Garden and Leedon Heights respectively. In December 2007, the GLL Group also sold the entire Phase 1 comprising 46% of 210 units in Goodwood Residence, a luxurious freehold development located in the vicinity of the prime Orchard Road area.

The GLL Group has in the pipeline prestigious residential developments in the prime districts which will be built on the sites of the existing Sophia Court and Leedon Heights.

REVIEW OF OPERATIONS (Cont'd)

Property Development and Investment (Cont'd)

GuocoLand Limited ("GLL") – 64.1% controlled by Guoco (Cont'd)

Singapore (Cont'd)

The estimate for real GDP growth released by the Ministry of Trade and Industry indicated a GDP growth rate of 6.0% in the fourth quarter of 2007 and 7.5% for 2007. Flash estimates by Urban Redevelopment Authority showed that private property prices increased by 6.6% in the fourth quarter of 2007, compared with 8.3% increase in the third quarter of 2007. Despite the slower pace of growth in the fourth quarter of 2007, private property prices rose 31% in 2007, compared to 10% increase in 2006.

In the fourth quarter of 2007, the government withdrew the deferred payment scheme for sale of uncompleted private properties in a bid to discourage speculative buying. Buyers are turning more cautious in view of the downside risks arising from the continuing global credit fallout, high oil prices, weak equity market sentiments and rising inflation. As Singapore has repositioned itself as a key business, financial and tourist hub with upcoming mega projects such as the Integrated Resorts and high profile international events which will be staged, the economy is expected to continue to register economic growth in 2008, though at a more moderate pace.

China

West End Point, a 810-unit development located within the Second Ring Road in Feng Sheng, Xicheng District of Beijing is almost fully sold. In December 2007, the GLL Group launched the first phase of its project called Ascot Park in Nanjing.

Some directors of GLL have received from the vendors of the Beijing Dongzhimen project a notice containing various allegations in relation to GLL's ownership in the subsidiary which owns the Beijing Dongzhimen project. We are investigating these matters and will in any event strongly defend our position. We will inform our shareholders further after we have reviewed the matters and consulted our advisers.

China's annual GDP growth eased slightly to 11.5% in the third quarter of 2007, compared to 11.9% in the second quarter of 2007. However, property prices registered a strong acceleration from 5% at the beginning of 2007 to 11% by the end of 2007. In 2007, the government has tightened its monetary policies, through higher interest rates and other measures to prevent the economy from overheating and to curb real-estate speculation. However, with the demand for housing units and higher disposable income due to rapid urbanisation of the population in China, the GLL Group expects the property market sentiment to stay positive for well-located and good quality private housing.

Malaysia

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

In October 2007, GLM completed the acquisition of 100% equity interests in Titan Debut Sdn Bhd which had entered into sale and purchase agreements to purchase the entire 140 units of serviced apartments with respective accessory parcels in the Oval Apartments, a development situated on freehold land along Jalan Binjai in Kuala Lumpur City Centre. The Oval Apartments is approximately 44% completed and is expected to be fully completed by the end of 2008. GLM is preparing to launch the Oval Apartments for sale in the financial year ending 30 June 2008.

REVIEW OF OPERATIONS (Cont'd)

Property Development and Investment (Cont'd)

GuocoLand Limited ("GLL") – 64.1% controlled by Guoco (Cont'd)

Malaysia (Cont'd)

In January 2008, GLM through a wholly-owned subsidiary entered into a conditional sale and purchase agreement to acquire a piece of freehold land of approximately 3,030 square metres together with two separate residential buildings erected thereon, situated at Changkat Kia Peng, Kuala Lumpur for a cash consideration of approximately RM55.5 million. The acquisition is expected to be completed by May 2008.

Malaysia's GDP expanded by 6.7% in the third quarter of 2007 and the full year GDP is expected to remain within the official target of 6% in 2007. The government expects the economic growth to be 6%-6.5% in 2008, supported by the planned expenditure under the Ninth Malaysia Plan as well as the economic corridor programmes. With the gradual liberalisation of the property market to make home ownership more attractive through allowing the use of Employee Provident Funds for mortgage repayments and relaxation of the Foreign Investment Committee rules for foreign ownership of properties, the GLL Group believes that the property outlook for Malaysia will remain positive.

Vietnam

The GLL Group broke ground on its maiden project, The Canary, located next to Vietnam Singapore Industrial Park in Binh Duong Province, 17 kilometres north of Ho Chi Minh City in November 2007. The GLL Group is preparing to launch Phase 1 of the residential component in the first quarter of 2008.

Vietnam, one of the fastest developing economies in Asia, achieved a GDP growth of about 8.5% in 2007, compared to 8.2% in 2006. Ho Chi Minh City

achieved a GDP growth of 12.6% in 2007, the fastest rate of growth in the past decade. The government has targeted a GDP growth of 9% in 2008. The GLL Group expects to benefit from the demand for quality housing in 2008 resulting from the strong economic growth, increasing affluence of urban population and the relaxation of property ownership by foreigners in Vietnam.

General

Although the spectre of recession is looming over the US economy, the major economies of China and India are nonetheless expected to remain resilient. Therefore, barring unforeseen circumstances, the GLL Group expects to report satisfactory results for the financial year ending 30 June 2008.

Hospitality and Leisure Business

GuocoLeisure Limited ("GL", formerly known as BIL International Limited) – 59.3% controlled by Guoco

The profit after tax of GL for the financial period ended 31 December 2007 was US\$30.1 million compared to US\$8.5 million in the previous financial period.

Revenue has increased by 46.8% to US\$295.7 million for the first half of the financial year, principally due to better hotel business in the UK and higher sales of properties in Denarau.

For the hotel segment, occupancy rate and average room rate respectively have enjoyed growth. In addition, the strength of the British pound has contributed to the improved revenue.

Other operating income has increased to US\$13.6 million in the first half of the financial year, or 61.9% above that of last corresponding period, chiefly attributable to higher management fee in the hotel operation. The GL Group also recorded a gain on sale of investment of US\$3.3 million during the period, primarily from the completion of sale of one of its investments.

REVIEW OF OPERATIONS (Cont'd)

Hospitality and Leisure Business(Cont'd)

GuocoLeisure Limited ("GL", formerly known as BIL International Limited) – 59.3% controlled by Guoco (Cont'd)

With the expiry of the ordinary units of the Bass Strait Oil Trust in April 2007, the GL Group is now entitled to the full royalty distribution. This has contributed to an increase in royalty income in the first half of 2007/08.

Camerlin Group Berhad ("CGB") – 61.3% controlled by Guoco

CGB recorded a profit before tax of RM24.1 million for the six months ended 31 December 2007 as compared with that of RM6.6 million recorded in the last corresponding period. The profit was mainly due to its share of profits of RM23.0 million from its 22.3% interests in GL.

CGB announced in January 2008 a proposed capital repayment to its shareholders via a cash distribution at an entitlement date to be determined later via reduction of share capital and share premium which will result in the reduction of the par value of CGB shares from RM1.00 to RM0.01. The aforesaid proposals are subject to, among others, the approvals of relevant regulatory authorities, shareholders of CGB and the sanction of the High Courts.

Upon completion of the aforesaid proposals, CGB will surrender its listing status and proceed to wind-up the company and return all its remaining cash balances (after deducting all expenses and liabilities) to its shareholders.

Financial Services

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

The HLFG Group recorded a profit before tax of RM580.1 million for the six months ended 31 December 2007 as compared to RM443.9 million in

the previous corresponding period, an increase of RM136.2 million or 30.7%. This was mainly due to higher contributions from the banking division and stockbroking and asset management divisions.

The banking division recorded a profit before tax of RM548.8 million for the six months ended 31 December 2007 as compared to RM410.8 million in the previous corresponding period, an increase of RM138.0 million or 33.6%. This was primarily due to higher net income arising from strong growth in business volumes.

The insurance division recorded a profit before tax of RM22.5 million for the six months ended 31 December 2007 as compared to RM34.2 million in the previous corresponding period, a decrease of RM11.7 million or 34.2%. The decrease was mostly due to lower net insurance premium and one-off change in accounting estimate for unearned premium reserves calculation of RM4.2 million.

The stockbroking and asset management divisions recorded a profit before tax of RM20.8 million for the six months ended 31 December 2007 as compared to RM12.0 million in the previous corresponding period, an increase of RM8.8 million or 73.3%. The increase was principally due to higher brokerage income arising from higher Bursa Malaysia trading volumes experienced during the period.

Group Financial Commentary

Capital and Finance

- The Group's consolidated total equity (including minority interests) as at 31 December 2007 amounted to HK\$50.0 billion, an increase of 3.3% comparing to the total equity as at 30 June 2007.
- The Group's consolidated total equity attributable to shareholders of the Company as at 31 December 2007 amounted to HK\$40.7 billion, an increase of HK\$150 million comparing to the figure as at 30 June 2007.

REVIEW OF OPERATIONS (Cont'd)**Group Financial Commentary (Cont'd)***Total Cash and Liquid Funds*

As at 31 December 2007, the Group has net liquid funds of HK\$10.3 billion, comprising total cash balance of HK\$24.8 billion and marketable securities of HK\$5.9 billion and after netting off the total borrowings of HK\$20.4 billion.

Total Borrowings

The increase in total borrowings from HK\$16.0 billion as at 30 June 2007 was primarily due to the drawdown of new bank loans by GLL to finance the property development segment in Singapore and Malaysia. The Group's total borrowings are mainly denominated in Singapore dollars (61%), British pounds (23%) and US dollars (12%).

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

The loans are secured by the following:

- legal mortgages on investment properties with an aggregate book value of approximately HK\$87 million;
- legal mortgages on development properties with an aggregate book value of approximately HK\$13.0 billion; and
- legal mortgages on property, plant and equipment with an aggregate book value of approximately HK\$8.4 billion.

Committed borrowing facilities available to Group companies and not yet drawn as at 31 December 2007 amounted to approximately HK\$5.5 billion.

	Bank loans	Mortgage debenture stock	Convertible bonds	Other borrowings	Total
	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
On demand or within 1 year	2,154	–	–	1,194	3,348
After 1 year but within 2 years	2,601	–	–	217	2,818
After 2 years but within 5 years	6,048	–	3,449	624	10,121
After 5 years	13	4,113	–	–	4,126
	8,662	4,113	3,449	841	17,065
	10,816	4,113	3,449	2,035	20,413

REVIEW OF OPERATIONS (Cont'd)

Group Financial Commentary (Cont'd)

Interest Rate Exposure

As at 31 December 2007, approximately 49% of the Group's borrowings were at floating rates and the remaining 51% were at fixed rates. The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. When considered appropriate, the Group may use interest rate swap contracts to manage the interest rate exposure.

Foreign Currency Exposure

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

For the six months ended 31 December 2007, there were "Net exchange losses on foreign exchange contracts" of HK\$104 million (US\$13.3 million) which primarily related to foreign exchange forward contracts used to hedge the Group's foreign currency bank loans. The gains on the conversion of the related bank loans were included under "Other exchange gains" amounting to HK\$307 million (US\$39.4 million).

Contingent Liabilities

GL, the Group's subsidiary, had contingent liabilities of HK\$40 million as at 30 June 2007 in relation to the guarantees of investment performance which were nil as at 31 December 2007.

GL has given a guarantee to the owner of the 20 (30 June 2007: 28) hotel businesses sold in 2002 that the aggregate Earnings before Interest, Tax,

Depreciation and Amortisation ("EBITDA") of the business will not be less than HK\$430 million (30 June 2007: HK\$512 million) per calendar year (or pro-rata amount) thereafter until 4 April 2012. The maximum liability for any one year under the guarantee was HK\$430 million (30 June 2007: HK\$512 million) and the maximum aggregate liability under the guarantee was approximately HK\$860 million (30 June 2007: HK\$1,024 million). Based on past performance, GL's expectation is that the future annual EBITDA will be able to meet the guaranteed amount.

GuocoLand (China) Limited ("GLC"), the Group's subsidiary, had signed a conditional share acquisition agreement with Beijing Beida Jade Bird Company Limited ("BBJB") and its related corporations to acquire a 90% interest in Beijing Cheng Jian Dong Hua Real Estate Development Company Limited ("Project Co") which owns the land use and development rights to a prime land parcel of 106,000 square meters located along Dongzhimen Road on the East Second Ring Road in the Dong Cheng District of Beijing for a purchase consideration of RMB5.8 billion. The balance purchase consideration of RMB2.58 billion will be paid in accordance with the agreement with the vendors, of which a sum of RMB580 million is payable only after satisfactory settlement of all outstanding and valid claims by Shenzhen Development Bank ("SDB") against the Project Co.

The status of the claims by SDB is reported as follows:

The People's High Court of Beijing had in December 2007 dismissed SDB's suit against the guarantor (Beijing Dong Hua Guang Chang Zhi Ye Co Ltd, "Zhiye") of certain alleged loans granted by SDB to certain borrowers ("guarantee") wherein the Project Co was a co-defendant. SDB has however initiated another civil suit against the Project Co for RMB1.5 billion being the principal amount under the guarantee. GLC will contest this action vigorously and has been advised by its PRC lawyers that the SDB suit has no merits and the Project Co has strong grounds to seek a dismissal of this civil suit.

REVIEW OF OPERATIONS (Cont'd)

Group Financial Commentary (Cont'd)

Contingent Liabilities (Cont'd)

Further, the Project Co has just received documents of legal proceedings commenced by Agricultural Bank of China ("ABC") against, inter alia, the Project Co and its holding company, Hainan Jing Hao Asset Limited, for a loan of about RMB2 billion owing to ABC by Zhiye. A sum of RMB2 billion has been withheld by GLC from the balance purchase consideration of RMB2.58 billion as mentioned above. GLC is currently seeking legal advice from its PRC lawyers.

HUMAN RESOURCES AND TRAINING

The Group, including its subsidiaries in Hong Kong and overseas, employed approximately 3,200 employees as at 31 December 2007. The Group continued to follow a measured approach towards achieving an optimal and efficient size of its workforce and is committed to providing its staff with ongoing development programmes to enhance productivity and work quality.

The remuneration policy for the Group's employees is reviewed by management on a regular basis. Remuneration packages are structured to take into account the level and composition of pay and general market conditions in the respective countries and businesses in which the Group operates. Bonus and other merit payments are linked to the financial performance of the Group and individual achievement as incentives to optimise performance. Share options may also be granted in accordance with the approved share option schemes or plans adopted by the Company and its subsidiaries to eligible employees to reward their contribution and foster loyalty towards the Group.

OUTLOOK

We believe the effect of this current precedent setting credit crisis will have both positive and negative global consequences. Multiple asset classes in various

markets will be adversely affected in varying degrees. Therein lies the proverbial challenge and opportunity.

It is heartening in this age of globalization, to see governments including their central banks and sovereign wealth funds as well as a variety of responsible institutions undertaking responsive short term initiatives to mitigate the negative consequences to avoid a hard landing. We expect longer term market and regulatory structural changes will eventually result in greater global economic and financial stability.

Nevertheless under these circumstances, one cannot predict with confidence the total impact or duration of the current crisis. We will therefore be particularly circumspect in our asset management and be vigilant for significant opportunities that we are confident will inevitably arise.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

During the period, the Company has complied with the relevant provisions set out in the Code on Corporate Governance Practices (the "CGP Code") based on the principles set out in Appendix 14 to the Listing Rules, save that non-executive directors were not appointed for a specific term. However, they are subject to retirement by rotation and re-election at the annual general meeting pursuant to the Company's Bye-Laws. As such, the Company considers that such provisions are sufficient to meet the intent of the relevant provisions of the CGP Code.

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 2007 – Unaudited

	Note	2007 US\$'000	2006 US\$'000	2007 HK\$'000 (Note 20)	2006 HK\$'000 (Note 20)
Turnover	2 & 3	1,856,511	1,125,235	14,482,457	8,750,109
Cost of sales		(1,505,747)	(844,152)	(11,746,182)	(6,564,337)
Other attributable costs		(11,627)	(15,143)	(90,701)	(117,756)
		339,137	265,940	2,645,574	2,068,016
Other revenue	4(a)	29,353	18,794	228,980	146,147
Other net income	4(b)	20,594	49,930	160,652	388,268
Administrative and other operating expenses		(136,596)	(116,608)	(1,065,572)	(906,773)
Profit from operations before finance cost	2	252,488	218,056	1,969,634	1,695,658
Finance cost	5(a)	(76,132)	(33,931)	(593,898)	(263,856)
Profit from operations	2	176,356	184,125	1,375,736	1,431,802
Impairment loss written back on properties		1,413	6,364	11,023	49,488
Profit on disposal of investment properties		4,297	–	33,520	–
Share of profits of associates	5(c)	23,027	23,525	179,631	182,937
Share of profits less losses of jointly controlled entities	5(c)	1,453	679	11,335	5,280
Profit for the period before taxation	5	206,546	214,693	1,611,245	1,669,507
Tax (expenses)/income	6	(37,960)	1,299	(296,122)	10,101
Profit for the period		168,586	215,992	1,315,123	1,679,608
Attributable to:					
Shareholders of the Company		130,880	204,840	1,020,982	1,592,887
Minority interests		37,706	11,152	294,141	86,721
Profit for the period		168,586	215,992	1,315,123	1,679,608
		US\$	US\$	HK\$	HK\$
Earnings per share					
Basic	8	0.40	0.63	3.14	4.90
Diluted	8	0.40	0.63	3.12	4.89
		US\$'000	US\$'000	HK\$'000	HK\$'000
Proposed interim dividend	7	42,181	42,315	329,051	329,051

The notes on pages 15 to 31 form part of this interim financial report.

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2007

	Note	At 31 December 2007 (Unaudited) US\$'000	At 30 June 2007 (Audited) US\$'000	At 31 December 2007 (Unaudited) HK\$'000 (Note 20)	At 30 June 2007 (Audited) HK\$'000 (Note 20)
NON-CURRENT ASSETS					
Fixed assets	9				
– Investment properties		274,136	278,027	2,138,508	2,173,268
– Other property, plant and equipment		1,549,188	1,550,245	12,085,061	12,117,878
Interest in associates		326,871	484,729	2,549,888	3,789,005
Interest in jointly controlled entities		102,803	98,228	801,956	767,824
Available-for-sale financial assets		42,131	41,634	328,660	325,443
Deferred tax assets		1,188	1,190	9,267	9,302
Intangible assets		189,349	188,053	1,477,093	1,469,963
Goodwill		33,987	29,192	265,129	228,187
		2,519,653	2,671,298	19,655,562	20,880,870
CURRENT ASSETS					
Development properties	10	2,776,998	1,243,647	21,663,084	9,721,278
Properties held for sale		26,837	34,279	209,353	267,950
Trade and other receivables	11	726,542	574,709	5,667,681	4,492,357
Trading financial assets		751,720	1,175,440	5,864,093	9,188,121
Cash and short term funds		3,185,621	3,164,066	24,850,711	24,732,712
		7,467,718	6,192,141	58,254,922	48,402,418
CURRENT LIABILITIES					
Trade and other payables	12	746,621	432,878	5,824,316	3,383,699
Current portion of bank loans and other borrowings	13	429,213	245,833	3,348,248	1,921,615
Taxation		49,675	32,634	387,510	255,092
Provisions and other liabilities		4,034	5,939	31,469	46,424
		1,229,543	717,284	9,591,543	5,606,830
NET CURRENT ASSETS		6,238,175	5,474,857	48,663,379	42,795,588
TOTAL ASSETS LESS CURRENT LIABILITIES		8,757,828	8,146,155	68,318,941	63,676,458
NON-CURRENT LIABILITIES					
Non-current portion of bank loans and other borrowings	14	2,187,550	1,795,001	17,064,859	14,031,074
Provisions and other liabilities		20,896	24,185	163,008	189,048
Deferred tax liabilities		144,178	141,359	1,124,718	1,104,968
		2,352,624	1,960,545	18,352,585	15,325,090
NET ASSETS		6,405,204	6,185,610	49,966,356	48,351,368
CAPITAL AND RESERVES					
Share capital	15	164,526	164,526	1,283,451	1,286,059
Reserves	15	5,051,302	5,021,536	39,404,702	39,252,092
Equity attributable to shareholders of the Company		5,215,828	5,186,062	40,688,153	40,538,151
Minority interests	15	1,189,376	999,548	9,278,203	7,813,217
TOTAL EQUITY		6,405,204	6,185,610	49,966,356	48,351,368

The notes on pages 15 to 31 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2007 – Unaudited

	2007 US\$'000	2006 US\$'000	2007 HK\$'000 (Note 20)	2006 HK\$'000 (Note 20)
Total equity at 1 July	6,185,610	5,720,391	48,351,368	44,419,980
Exchange adjustments	–	–	(98,043)	63,210
	6,185,610	5,720,391	48,253,325	44,483,190
Net income for the period recognised directly in equity:				
Exchange difference on translation of the financial statements of foreign subsidiaries, associates and jointly controlled entities	81,603	93,404	636,577	726,333
Change in fair value of available-for-sale financial assets	3,472	7,200	27,085	55,989
Net income for the period recognised directly in equity	85,075	100,604	663,662	782,322
Transfer to profit or loss on disposal of available-for-sale financial assets	79	–	616	–
Net profit for the period	168,586	215,992	1,315,123	1,679,608
Total recognised income and expenses for the period	253,740	316,596	1,979,401	2,461,930
Attributable to:				
Shareholders of the Company	197,639	259,725	1,541,763	2,019,687
Minority interests	56,101	56,871	437,638	442,243
	253,740	316,596	1,979,401	2,461,930
Share of subsidiaries' and associates' capital and other reserves movement	(3,255)	(16,575)	(25,392)	(128,891)
Equity settled share-based transactions	1,394	246	10,874	1,913
Transfer of shares to employees upon exercise of share options by a subsidiary	3,931	–	30,665	–
Subscription of shares under rights issue by the trust for Executives' Share Option Scheme ("ESOS") by a subsidiary	(32,163)	–	(250,900)	–
Issue of shares under rights issue by a subsidiary	139,183	–	1,085,753	–
Minority interests on acquisition of subsidiaries	(10,804)	(31,912)	(84,281)	(248,156)
Dividend paid to minority interests	(16,508)	(23,539)	(128,777)	(183,045)
Capital contribution from minority interests	–	859	–	6,680
Exercise of warrants and conversion of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") issued by a subsidiary	21,817	1,335	170,192	10,381
Final dividend paid	(137,741)	(167,041)	(1,074,504)	(1,298,953)
Total equity at 31 December	6,405,204	5,800,360	49,966,356	45,105,049

The notes on pages 15 to 31 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 December 2007 – Unaudited

	2007	2006
	US\$'000	US\$'000
NET CASH USED IN OPERATING ACTIVITIES	(319,143)	(319,726)
NET CASH USED IN INVESTING ACTIVITIES	(41,360)	(31,543)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	321,338	(77,756)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(39,165)	(429,025)
EFFECT OF FOREIGN EXCHANGE RATES	60,720	22,605
CASH AND CASH EQUIVALENTS AS AT 1 JULY	3,164,066	3,421,735
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	3,185,621	3,015,315
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and short term funds	3,185,621	3,015,315

The notes on pages 15 to 31 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, 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 2006/07 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2007/08 annual financial statements as described below.

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 the new standards, amendments and interpretations had no material impact on the Group’s results and financial position whereas the adoption of Amendment to HKAS 1, Presentation of financial statements: capital disclosures and HKFRS 7, Financial instruments: disclosures require additional disclosures to be made in the annual report. Accordingly, no prior period adjustment is required.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group’s results of operations and financial position.

Effective for accounting periods beginning on or after

HK(IFRIC) - INT 14, HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2008
HKAS 1 (Revised), Presentation of Financial Statements	1 January 2009
HKAS 23 (Revised), Borrowing Costs	1 January 2009
HKFRS 8, Operating Segments	1 January 2009

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 2006/07 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 2007 included in the interim financial report is extracted from the Company’s statutory financial statements. Statutory financial statements for the year ended 30 June 2007 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 14 September 2007.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

2. SEGMENT INFORMATION (Cont'd)

Geographical Segments (Unaudited)

	Turnover		Profit from operations	
	Six months ended		Six months ended	
	31 December		31 December	
	2007	2006	2007	2006
	US\$'000	US\$'000	US\$'000	US\$'000
Hong Kong	1,189,974	829,557	53,410	168,802
United Kingdom	234,444	194,560	14,922	9,204
Singapore	62,343	61,087	Note 10,489	5,539
The People's Republic of China ("PRC") & others	369,750	40,031	Note 97,535	580
	1,856,511	1,125,235	176,356	184,125

Note:

In accordance with applicable Hong Kong Financial Reporting Standards, the Group has recognised revenue arising from the pre-sale of properties upon completion of development projects instead of using the percentage of completion method adopted by GuocoLand Limited ("GLL") as permitted under the relevant Singapore Accounting Standards. Accordingly, operating profits of GLL for the period amounting to US\$10.2 million (2006: US\$2.1 million) and US\$0.8 million (2006: US\$6.6 million) in Singapore and PRC & 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 (2006: US\$3.5 million) and US\$45.5 million (2006: US\$0.6 million) in Singapore and PRC & other regions respectively for those development projects completed during the period. Up to 31 December 2007, accumulated operating profits of GLL totalling US\$19.4 million (2006: US\$2.3 million) in Singapore and US\$1.3 million (2006: US\$6.6 million) in PRC & other regions have been deferred for recognition, which will only be recognised by the Group upon completion of the relevant development projects in subsequent years.

3. TURNOVER

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

	Six months ended	
	31 December	
	2007	2006
	(Unaudited)	(Unaudited)
	US\$'000	US\$'000
Proceeds from sale of investments in securities	1,109,751	741,980
Revenue from sale of properties	364,789	77,284
Revenue from hotel and gaming operations	241,337	202,450
Interest income	110,914	89,436
Dividend income from listed securities	12,712	4,134
Rental income from properties	8,465	6,321
Securities commission and brokerage	7,126	2,961
Others	1,417	669
	1,856,511	1,125,235

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

4. OTHER REVENUE AND NET INCOME

(a) Other revenue

	Six months ended 31 December	
	2007 (Unaudited) US\$'000	2006 (Unaudited) US\$'000
Sublease income	4,945	4,472
Bass Strait oil and gas royalty	14,149	10,143
Hotel management fee	8,254	2,902
Others	2,005	1,277
	29,353	18,794

(b) Other net income

	Six months ended 31 December	
	2007 (Unaudited) US\$'000	2006 (Unaudited) US\$'000
Net unrealised (losses)/gains on trading financial assets	(10,636)	33,556
Realised gains on disposal of available-for-sale financial assets	3,236	–
Net realised and unrealised (losses)/gains on derivative financial instruments	(1,628)	7,465
Net exchange losses on foreign exchange contracts	(13,314)	(3,272)
Other exchange gains	39,369	11,025
Net (losses)/gains on disposal of fixed assets	(9)	60
Cash distributions from investments	–	236
Others	3,576	860
	20,594	49,930

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

5. PROFIT FOR THE PERIOD BEFORE TAXATION

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

(a) Finance cost

	Six months ended 31 December	
	2007 (Unaudited) US\$'000	2006 (Unaudited) US\$'000
Interest on bank advances and other borrowings wholly repayable within five years	60,684	17,958
Other borrowing costs	30,905	24,295
Total borrowing costs	91,589	42,253
Less: borrowing costs capitalised into development properties (Note)	(15,457)	(8,322)
	76,132	33,931

Note: These borrowing costs have been capitalised at rates of 3.1% to 6.1% per annum (2006: 3.2% to 6.0%).

(b) Staff cost

	Six months ended 31 December	
	2007 (Unaudited) US\$'000	2006 (Unaudited) US\$'000
Salaries, wages and other benefits	83,131	72,167
Retirement scheme contributions	2,637	1,914
	85,768	74,081

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

(c) Other items

	Six months ended	
	31 December	
	2007 (Unaudited) US\$'000	2006 (Unaudited) US\$'000
Depreciation	17,973	15,616
Amortisation of Bass Strait oil and gas royalty	3,322	2,926
Operating lease charges		
– properties	1,670	894
– others	1,339	669
Auditors' remuneration	655	518
Donations	181	82
Recognition of negative goodwill	–	(115)
Gross rental income from investment properties	(8,390)	(3,240)
Less: direct outgoings	3,667	411
Net rental income	(4,723)	(2,829)
Share of profits of associates:		
– listed	(20,187)	(14,768)
– unlisted	(2,840)	(8,757)
	(23,027)	(23,525)
Share of profits less losses of jointly controlled entities:		
– unlisted	(1,453)	(679)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

6. TAXATION

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

	Six months ended 31 December	
	2007 (Unaudited) US\$'000	2006 (Unaudited) US\$'000
Hong Kong Profits Tax	(571)	(1,693)
Overseas taxation	(34,444)	4,430
Deferred taxation	(2,945)	(1,438)
	(37,960)	1,299

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 17.5% (2006: 17.5%) to the profits for the six months ended 31 December 2007. Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that would be applicable to the relevant countries.

Overseas taxation for the six months ended 31 December 2006 primarily represented the write-back of tax provision in prior years.

7. DIVIDENDS

	Six months ended 31 December	
	2007 (Unaudited) US\$'000	2006 (Unaudited) US\$'000
Year 2006/2007: Final dividend paid of HK\$3.30 per share (Year 2005/2006: HK\$3.00 per share)	137,741	125,281
Year 2006/2007: Nil special dividend paid (Year 2005/2006: HK\$1.00 per share)	–	41,760
Year 2007/2008: Proposed interim dividend of HK\$1.00 per share (Year 2006/2007: HK\$1.00 per share)	42,181	42,315

The proposed interim dividend for the year ending 30 June 2008 of US\$42,181,000 (2007: US\$42,315,000) is calculated based on 329,051,373 ordinary shares (2006: 329,051,373 ordinary shares) in issue as at 31 December 2007.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company of US\$130,880,000 (2006: US\$204,840,000) and the weighted average number of 325,024,511 ordinary shares (2006: 325,024,511 ordinary shares) in issue during the period.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to shareholders of the Company of US\$130,198,132 (2006: US\$204,517,657) and the weighted average number of 325,024,511 ordinary shares (2006: 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 2007, the Group acquired fixed assets with a cost of US\$17,723,000 (six months ended 31 December 2006: US\$12,155,000). The Group disposed of fixed assets with a net book value of US\$535,000 during the six months ended 31 December 2007 (six months ended 31 December 2006: US\$1,874,000).

10. DEVELOPMENT PROPERTIES

	At 31 December 2007 (Unaudited) US\$'000	At 30 June 2007 (Audited) US\$'000
Cost	3,140,710	1,367,850
Add: Attributable profit	75,761	–
Less: Impairment loss	(3,852)	(36,413)
Progress instalments received and receivable	(435,621)	(87,790)
	2,776,998	1,243,647

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

11. TRADE AND OTHER RECEIVABLES

	At 31 December 2007 (Unaudited) US\$'000	At 30 June 2007 (Audited) US\$'000
Trade debtors	290,663	356,708
Deposits and prepayments	428,812	204,769
Derivative financial instruments, at fair value	341	2,137
Interest receivables	6,726	11,095
	726,542	574,709

Included in trade and other receivables are amounts of US\$10.8 million (30 June 2007: US\$20.3 million) which are expected to be recovered after more than one year.

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

	At 31 December 2007 (Unaudited) US\$'000	At 30 June 2007 (Audited) US\$'000
Current	268,643	333,629
1 to 3 months overdue	16,307	10,038
More than 3 months overdue but less than 12 months overdue	5,237	13,041
Over 12 months	476	–
	290,663	356,708

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**12. TRADE AND OTHER PAYABLES**

	At 31 December 2007 (Unaudited) US\$'000	At 30 June 2007 (Audited) US\$'000
Trade creditors	72,015	85,929
Other payables and accrued operating expenses	655,559	327,715
Derivative financial instruments, at fair value	13,131	988
Amounts due to fellow subsidiaries	4,815	17,209
Amounts due to associates	34	33
Amounts due to jointly controlled entities	1,067	1,004
	746,621	432,878

Included in trade and other payables are amounts of US\$9.2 million (30 June 2007: US\$12.1 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 2007 (Unaudited) US\$'000	At 30 June 2007 (Audited) US\$'000
Due within 1 month or on demand	54,957	72,445
Due after 1 month but within 3 months	2,919	5,365
Due after 3 months but within 6 months	410	417
Over 6 months	13,729	7,702
	72,015	85,929

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

13. CURRENT PORTION OF BANK LOANS AND OTHER BORROWINGS

	At 31 December 2007 (Unaudited) US\$'000	At 30 June 2007 (Audited) US\$'000
Bank loans		
– Secured	132,827	203,419
– Unsecured	143,364	39,742
	276,191	243,161
Unsecured medium term notes repayable within 1 year	153,022	2,672
	429,213	245,833

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

	At 31 December 2007 (Unaudited) US\$'000	At 30 June 2007 (Audited) US\$'000
Bank loans		
– Secured	807,302	305,721
– Unsecured	303,020	302,895
	1,110,322	608,616
Unsecured medium term notes	107,811	244,794
Secured mortgage debenture stock	527,228	533,908
Convertible bonds	442,189	407,683
	2,187,550	1,795,001

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**14. NON-CURRENT PORTION OF BANK LOANS AND OTHER BORROWINGS (Cont'd)**

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

	At 31 December 2007 (Unaudited)					At 30 June 2007 (Audited)				
	Bank loans	Mortgage debenture stock	Convertible bonds	Other borrowings	Total	Bank loans	Mortgage debenture stock	Convertible bonds	Other borrowings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
On demand or within 1 year	276,191	-	-	153,022	429,213	243,161	-	-	2,672	245,833
After 1 year but within 2 years	333,444	-	-	27,822	361,266	371,556	-	-	169,724	541,280
After 2 years but within 5 years	775,217	-	442,189	79,989	1,297,395	235,468	-	407,683	75,070	718,221
After 5 years	1,661	527,228	-	-	528,889	1,592	533,908	-	-	535,500
	1,110,322	527,228	442,189	107,811	2,187,550	608,616	533,908	407,683	244,794	1,795,001
	1,386,513	527,228	442,189	260,833	2,616,763	851,777	533,908	407,683	247,466	2,040,834

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

15. SHARE CAPITAL AND RESERVES

	Share capital	Share premium	Capital and other reserves	Contributed surplus	ESOP reserve	Share option reserve	Exchange translation reserve	Fair value reserve	Revaluation reserve	Retained profits	Total	Minority interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 July 2007	164,526	10,493	318	2,704	(40,753)	1,944	113,952	3,129	9,810	4,919,939	5,186,062	999,548	6,185,610
Transfer between reserves	-	-	1,186	-	-	-	-	-	-	(1,186)	-	-	-
Share of subsidiaries' and associates' capital and other reserves movement	-	-	(3,255)	-	-	-	-	-	-	-	(3,255)	-	(3,255)
Equity settled share-based transactions	-	-	-	-	-	892	-	-	-	-	892	502	1,394
Transfer of shares to employees upon exercise of share options by a subsidiary	-	-	4,394	-	-	-	-	-	-	-	4,394	(463)	3,931
Subscription of shares under rights issue by the trust for ESOS by a subsidiary	-	-	(32,163)	-	-	-	-	-	-	-	(32,163)	-	(32,163)
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	1,470	-	-	1,470	2,002	3,472
Transfer to profit or loss on disposal of available-for-sale financial assets	-	-	-	-	-	-	-	(215)	-	-	(215)	294	79
Exchange differences on translation of the financial statements of foreign subsidiaries, associates and jointly controlled entities	-	-	(2,424)	-	(83)	75	67,597	111	228	-	65,504	16,099	81,603
Issue of shares under rights issue by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	139,183	139,183
Minority interests on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(10,804)	(10,804)
Dividend paid to minority interests	-	-	-	-	-	-	-	-	-	-	-	(16,508)	(16,508)
Exercise of warrants and conversion of ICULS issued by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	21,817	21,817
Final dividend paid	-	-	-	-	-	-	-	-	-	(137,741)	(137,741)	-	(137,741)
Retained profits for the period	-	-	-	-	-	-	-	-	-	130,880	130,880	37,706	168,586
At 31 December 2007	164,526	10,493	(31,944)	2,704	(40,836)	2,911	181,549	4,495	10,038	4,911,892	5,215,828	1,189,376	6,405,204

Share capital:

	At 31 December 2007		At 30 June 2007	
	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 2007, 4,026,862 ordinary shares (30 June 2007: 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. ACQUISITION OF BUSINESS**

- (a) GuocoLand (China) Limited (“GLC”), a wholly owned subsidiary of GuocoLand Group, acquired a 90% interest in Beijing Cheng Jian Dong Hua Real Estate Development Company Limited (“Project Co”) for an aggregate purchase consideration of RMB5.8 billion. GLC had paid RMB1.2 billion of the purchase consideration for a 45% interest in Project Co in the financial year 2006/07. The acquisition of the remaining 45% interest in Project Co was completed in November 2007 following further payments of RMB2.02 billion of the purchase consideration. The balance purchase consideration of RMB2.58 billion will be paid in accordance with the agreement with the vendors. Project Co owns the land use and development rights to a prime land parcel in the Dong Cheng District of Beijing.
- (b) On 29 October 2007, GuocoLand (Malaysia) Berhad, a subsidiary of GuocoLand Group, acquired a 100% interest in Titan Debut Sdn Bhd (“Titan”) for a cash consideration of RM71 million. The principal activity of Titan is property investment and property trading.

The impact of the above acquisitions on the Group’s turnover and results from the dates of acquisitions to 31 December 2007 is not material. The impact of the above acquisitions on the Group’s turnover and results had the above acquisitions occurred on 1 July 2007 is also not material.

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

	Acquiree’s carrying value before combination US\$’000	Fair value adjustments US\$’000	Acquiree’s fair value before combination US\$’000
Net assets acquired:			
Property, plant and equipment	143	–	143
Development properties	380,816	206,468	587,284
Trade and other receivables	191,630	–	191,630
Cash and short term funds	11,373	–	11,373
Trade and other payables	(552,192)	–	(552,192)
Bank loans and other borrowings	(32,975)	–	(32,975)
Minority interests	122	–	122
Net identifiable assets	(1,083)	206,468	205,385
Amount previously accounted for as an associate			(160,781)
Total consideration			44,604
Total consideration satisfied by:			
Cash consideration			29,846
Other payables			14,758
			44,604

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

	At 31 December 2007 (Unaudited) US\$'000	At 30 June 2007 (Audited) US\$'000
Authorised and contracted for	11,898	7,280

The commitment in respect of purchase of land by the Group was US\$45.2 million (30 June 2007: US\$675.9 million).

18. CONTINGENT LIABILITIES

- (i) A subsidiary of the Group, GuocoLeisure Limited ("GuocoLeisure"), had contingent liabilities of US\$5.1 million as at 30 June 2007 in relation to the guarantees of investment performance which were nil as at 31 December 2007.

GuocoLeisure has given a guarantee to the owner of the 20 (30 June 2007: 28) hotel businesses sold in 2002 that the aggregate Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") of the business will not be less than US\$55.1 million (30 June 2007: US\$65.5 million) per calendar year (or pro-rata amount) thereafter until 4 April 2012. The maximum liability for any one year under the guarantee was US\$55.1 million (30 June 2007: US\$65.5 million) and the maximum aggregate liability under the guarantee was approximately US\$110.2 million (30 June 2007: US\$131.0 million). Based on past performance, GuocoLeisure's expectation is that the future annual EBITDA will be able to meet the guaranteed amount.

- (ii) GuocoLand (China) Limited ("GLC"), the Group's subsidiary, had signed a conditional share acquisition agreement with Beijing Beida Jade Bird Company Limited ("BBJB") and its related corporations to acquire a 90% interest in Beijing Cheng Jian Dong Hua Real Estate Development Company Limited ("Project Co") which owns the land use and development rights to a prime land parcel of 106,000 square meters located along Dongzhimen Road on the East Second Ring Road in the Dong Cheng District of Beijing for a purchase consideration of RMB5.8 billion. The balance purchase consideration of RMB2.58 billion will be paid in accordance with the agreement with the vendors, of which a sum of RMB580 million is payable only after satisfactory settlement of all outstanding and valid claims by Shenzhen Development Bank ("SDB") against the Project Co.

The status of the claims by SDB is reported as follows:

The People's High Court of Beijing had in December 2007 dismissed SDB's suit against the guarantor (Beijing Dong Hua Guang Chang Zhi Ye Co Ltd, "Zhiye") of certain alleged loans granted by SDB to certain borrowers ("guarantee") wherein the Project Co was a co-defendant. SDB has however initiated another civil suit against the Project Co for RMB1.5 billion being the principal amount under the guarantee. GLC will contest this action vigorously and has been advised by its PRC lawyers that the SDB suit has no merits and the Project Co has strong grounds to seek a dismissal of this civil suit.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

18. CONTINGENT LIABILITIES (Cont'd)

Further, the Project Co has just received documents of legal proceedings commenced by Agricultural Bank of China ("ABC") against, inter alia, the Project Co and its holding company, Hainan Jing Hao Asset Limited, for a loan of about RMB2 billion owing to ABC by Zhiye. A sum of RMB2 billion has been withheld by GLC from the balance purchase consideration of RMB2.58 billion as mentioned above. GLC is currently seeking legal advice from its PRC lawyers.

19. 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	
	2007	2006
	(Unaudited)	(Unaudited)
	US\$'000	US\$'000
Interest income	464	170

(ii) Balance as

	At	At
	31 December	30 June
	2007	2007
	(Unaudited)	(Audited)
	US\$'000	US\$'000
Cash and short term funds	33,857	30,372

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

19. MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

(b) Management fee

- (i) On 21 August 2001, the Company entered into a management services agreement, determinable by either party giving six months' notice, with GOMC Limited ("GOMC"), a subsidiary of HLCM, for provision of general management services to the Group by GOMC. Total management fees paid and payable to GOMC for the period ended 31 December 2007 amounted to US\$4,900,000 (2006: US\$6,100,000).
- (ii) On 14 February 2007, GuocoLeisure Limited ("GuocoLeisure") (formerly known as BIL International Limited), a subsidiary of the Group, entered into a management services agreement with GIMC Limited ("GIMC"), a subsidiary of HLCM, for the provision of general management services to GuocoLeisure. Total management fees paid and payable to GIMC for the period ended 31 December 2007 amounted to US\$328,000 (2006: US\$77,000).
- (iii) On 14 February 2007, Guoman Hotels Limited ("Guoman"), a subsidiary of the Group, entered into a management services agreement with GIMC, a subsidiary of HLCM, for the provision of general management services to Guoman. Total management fees paid and payable to GIMC for the period ended 31 December 2007 amounted to US\$916,000 (2006: US\$534,000).
- (iv) On 14 February 2007, Clermont Leisure (UK) Ltd ("Clermont"), a subsidiary of the Group, entered into a management services agreement with GIMC, a subsidiary of HLCM, for the provision of general management services to Clermont. Total management fees paid and payable to GIMC for the period ended 31 December 2007 amounted to US\$30,000 (2006: US\$nil).
- (v) On 14 February 2007, GuocoLand (Malaysia) Berhad ("GLM"), a subsidiary of the Group, entered into a management services agreement with HLCM for the provision of general management services to GLM. Total management fees paid and payable to HLCM for the period ended 31 December 2007 amounted to US\$165,000 (2006: US\$149,000).

20. HONG KONG DOLLAR AMOUNTS

The Hong Kong dollar figures shown in the consolidated income statement, the consolidated balance sheet and the consolidated statement of changes in equity 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.

21. REVIEW BY BOARD AUDIT COMMITTEE

The unaudited interim results for the six months ended 31 December 2007 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.

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

As at 31 December 2007, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of the Company ("Model Code") were disclosed as follows in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

(A) The Company

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of the Company	Notes
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	1,656,325	230,291,391	231,947,716	70.49%	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	559,230	–	559,230	0.17%	
James Eng, Jr.	565,443	–	565,443	0.17%	

* 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 231,947,716 shares/underlying shares comprised 225,522,716 ordinary shares of the Company and 6,425,000 underlying shares of other unlisted derivatives.

The corporate interests of 230,291,391 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuoLine Overseas Limited ("GOL")	219,839,529
GuoLine Capital Limited ("GCL")	6,425,000
Asian Financial Common Wealth Limited ("AFCW")	4,026,862

AFCW was wholly owned by the Company which was in turn 66.81% 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.

- The corporate interests of 691,125 shares were directly held by Khattar Holdings Pte Ltd which was 0.61% owned by Mr Sat Pal Khattar and was accustomed to act according to his directions.

(B) Associated Corporations

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

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of HLCM	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	390,000	7,487,100	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	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	20,062,965	627,876,305	647,939,270	73.00%	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%	
James Eng, Jr.	268,000	–	268,000	0.03%	

* Ordinary shares unless otherwise specified in the Notes

Notes:

- The total interests of 647,939,270 shares/underlying shares comprised 589,211,285 ordinary shares of GLL and 58,727,985 underlying shares of other unlisted derivatives.

The corporate interests of 627,876,305 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuocoLand Assets Pte Ltd ("GAPL")	569,148,320
GuoLine Capital Limited ("GCL")	58,727,985

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

- The corporate interests of 13,856,482 shares were directly held by Khattar Holdings Pte Ltd which was 0.61% owned by Mr Sat Pal Khattar and was accustomed to act according to his directions.

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")

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	838,033,300	843,022,900	80.08%	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 843,022,900 shares/underlying shares comprised 824,903,500 ordinary shares of HLFG and 18,119,400 underlying shares of other unlisted derivatives.

The corporate interests of 838,033,300 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Company (Malaysia) Berhad ("HLCM")	546,476,568
HLCM Capital Sdn Bhd ("HLCM Capital")	296,786
Hong Leong Share Registration Services Sdn Bhd ("HLSRS")	3,600
GuoLine Capital Limited ("GCL")	18,119,400
Guoco Assets Sdn Bhd ("GASB")	267,079,946
Soft Portfolio Sdn Bhd ("SPSB")	6,057,000

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

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

SPSB was 99% owned by Mr Quek Leng Chan.

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

* Ordinary shares

Note:

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

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

GLLM was wholly owned by GuocoLand Limited which was in turn 64.12% owned by GuocoLand Assets Pte Ltd ("GAPL").

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	Number of *shares (Long Position)			Approx. % of the issued share capital of HLI	
	Personal interests	Corporate interests	Total Interests		
Kwek Leng Hai	189,812	–	189,812	0.07%	
Sat Pal Khattar	198,580	348,500	547,080	0.20%	Note
Kwek Leng San	2,220,000	–	2,220,000	0.81%	

* 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 0.61% 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 ("HLBB")

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

* Ordinary shares

h) Malaysian Pacific Industries Berhad ("MPI")

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

* 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")

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of HIMB	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	2,000,000	120,208,928	122,208,928	66.80%	Note
Sat Pal Khattar	200,000	–	200,000	0.11%	

* Ordinary shares

Note:

The corporate interests of 120,208,928 shares comprised the respective direct interests held by:

	Number of shares
Hong Leong Company (Malaysia) Berhad ("HLCM")	117,001,127
HLCM Capital Sdn Bhd ("HLCM Capital")	19,401
Hong Leong Assurance Berhad ("HLA")	1,154,400
Soft Portfolio Sdn Bhd ("SPSB")	2,034,000

HLA was wholly owned by Hong Leong Financial Group Berhad which was 77.31% owned by HLCM.

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

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

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 Hume Industries (Malaysia) Berhad which was in turn 64.60% owned by Hong Leong Company (Malaysia) Berhad ("HLCM"). The controlling shareholders of HLCM and their percentage controls are shown in the Note under Part (A) above.

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%
James Eng, Jr.	619,000	–	619,000	0.25%
Ding Wai Chuen	10,000	–	10,000	0.00%

* Ordinary shares

l) GuocoLeisure Limited ("GL", formerly known as BIL International Limited)

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

* Ordinary shares

Note:

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

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

CIL was wholly owned by CGB. CGB was 61.31% owned by Brightspring Holdings Limited which was in turn wholly owned by the Company. HGIL was wholly owned by the Company. The controlling shareholder of the Company and its percentage control are shown in the Note under Part (A) above.

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

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

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

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

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

Save as disclosed above, as at 31 December 2007, none of the directors of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified 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 (the "Eligible Employees").

No option had ever been granted to any Eligible Employee pursuant to the Share Option Scheme up to 31 December 2007.

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 (the "Participants").

SUPPLEMENTARY INFORMATION

SHARE OPTIONS (Cont'd)

The Company (Cont'd)

Share Option Plan (Cont'd)

No option has ever been granted to any Participant pursuant to the Share Option Plan up to 31 December 2007.

GuocoLand Limited ("GLL")

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

In October 2004, the approval of shareholders of GLL and the Company was obtained to effect various amendments to the rules of the GLL ESOS (the "Rules") to, among others, allow grant of options over both 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 at 1 July 2007, there were 40,250,000 GLL shares comprised in the outstanding options pursuant to the Modified GLL ESOS. During the period, there was an increase of 5,562,550 GLL shares comprised in the options due to an adjustment arising from the rights issue of GLL, and options comprising 5,406,450 GLL shares were exercised, pursuant to the Modified GLL ESOS. The particulars of the said options are as follows:

*No. of GLL shares comprised in options

Date of grant	*As at		*Increase due to adjustment arising from rights issue of GLL during the period	*As at		Exercise price per GLL share	*Exercised during the period	Note
	1 Jul 2007	Notes		31 Dec 2007	Notes			
1 November 2004	12,500,000	1a	1,727,500	8,821,050	1a	S\$1.19	5,406,450	1b
30 May 2005	4,000,000	2	552,800	4,552,800	2	S\$1.32	–	
19 January 2007	23,750,000	3	3,282,250	27,032,250	3	S\$2.65	–	
	<u>Total: 40,250,000</u>		<u>5,562,550</u>	<u>40,406,100</u>				

Notes:

- 1a. Subject to certain financial and performance targets being met by the grantees during the performance period for the financial years 2004/05 to 2006/07, the grantees may, at any time after the end of the financial year 2006/07 or, at such other time as may be prescribed by the Executives' Share Option Scheme Committee (the "Committee") at its sole discretion, be notified ("Date of Notification") of the vesting of the options and the number of GLL shares comprised in the vested options. Thereafter, the grantees shall have an exercise period of up to two years from the Date of Notification, or such other period as may be prescribed by the Committee at its sole discretion, to exercise the vested options in accordance with the terms of their grant.
- 1b. The options were exercised on 27 August 2007 and the closing market price per GLL share immediately before that day was S\$4.50.
2. Subject to certain financial and performance targets being met by the grantee during the performance period for the financial years 2005/06 to 2006/07, the grantee shall have an exercise period of up to two years from the date of vesting, or such other period as may be prescribed by the Committee at its sole discretion, to exercise the vested option of up to the remaining 4,552,800 GLL shares in accordance with the terms of the grant.

SUPPLEMENTARY INFORMATION

SHARE OPTIONS (Cont'd)

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

Notes: (Cont'd)

- Subject to certain financial and performance targets being met by the grantees during the performance periods for the financial years 2005/06 to 2007/08 and 2008/09 to 2010/11, the grantees may at the end of each performance period be notified by the 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.

During the period, no options were vested nor had lapsed, and no new options were granted. Accordingly, the number of GLL shares comprised in the outstanding options was 40,406,100 as at 31 December 2007.

GuocoLeisure Limited ("GL", formerly known as BIL International Limited)

The GuocoLeisure Share Option Plan (the "GL Plan", formerly known as The BIL International Share Option Plan)

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

There were no outstanding options pursuant to the GL Plan as at 1 July 2007 and 31 December 2007, and no option has been granted to any eligible participants pursuant to the GL Plan during the period.

The GuocoLeisure Value Creation Incentive Share Scheme (the "GL Scheme", formerly known as The BIL Value Creation Incentive Share Scheme)

The GL Scheme is a share incentive scheme and was approved by the board of directors of GL in 2003 to allow the grant of options over existing shares of GL to eligible participants including employees and executive directors of the GL Group. The GL Scheme is not governed by Chapter 17 of the Listing Rules.

GuocoLand (Malaysia) Berhad ("GLM")

The Executive Share Option Scheme of GLM (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 GLM shares and/or transfer of existing GLM shares. 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 2007, 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.

SUPPLEMENTARY INFORMATION

SHARE OPTIONS (Cont'd)

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 UNDER THE SFO

As at 31 December 2007, other than the interests and short positions of the directors of the Company disclosed above, the persons who had interests or short positions in the shares and underlying shares of 5% or more in the Company's issued share capital as recorded in the register maintained by the Company under Section 336 of the SFO are as follows:

Shareholders	Capacity	Number of shares/ underlying shares (Long Position)	Notes	Approx. % of the issued share capital
Hong Leong Company (Malaysia) Berhad ("HLCM")	Interest of controlled corporations	230,291,391	1	69.99%
HL Holdings Sdn Bhd ("HLH")	Interest of controlled corporations	230,291,391	2 & 3	69.99%
Hong Leong Investment Holdings Pte Ltd ("HLInv")	Interest of controlled corporations	230,291,391	2 & 4	69.99%
Kwek Holdings Pte Ltd ("KH")	Interest of controlled corporations	230,291,391	2 & 5	69.99%
Davos Investment Holdings Private Limited ("Davos")	Interest of controlled corporations	230,291,391	2 & 6	69.99%
Kwek Leng Kee ("KLK")	Interest of controlled corporations	230,291,391	2 & 7	69.99%
Third Avenue Management LLC	Investment Manager	16,440,300		5.00%

SUPPLEMENTARY INFORMATION**DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO (Cont'd)**

Notes:

1. These interests comprised 223,866,391 ordinary shares of the Company and 6,425,000 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")	219,839,529
GuoLine Capital Limited ("GCL")	6,425,000
Asian Financial Common Wealth Limited ("AFCW")	4,026,862

AFCW was wholly owned by the Company which was in turn 66.81% 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, HLIInv, KH, 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. HLIInv was deemed to be interested in these interests through its controlling interests of 34.49% in HLCM.
5. KH was deemed to be interested in these interests through its controlling interests of 49.00% in HLIInv.
6. Davos was deemed to be interested in these interests through its controlling interests of 33.59% in HLIInv.
7. 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 2007, the Company had not been notified by any person (other than the directors of the Company) who had interests or short positions in the shares or underlying shares of the Company of 5% or more which would fall to be disclosed pursuant to the Part XV of the SFO or as recorded in the register maintained by the Company under Section 336 of the SFO.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 11 March 2008 to 14 March 2008, 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 10 March 2008.

By order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 22 February 2008