

2014/15

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



A Member of the Hong Leong Group

(Stock Code: 53)

CONTENTS

Corporate Information	2
Financial Results	3
Interim Dividend	3
Review of Operations	3
Human Resources and Training	8
Outlook	8
Purchase, Sale or Redemption of Company's Listed Securities	9
Corporate Governance	9
Other Information	9
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Consolidated Income Statement (Unaudited)	25
Consolidated Statement of Comprehensive Income (Unaudited)	26
Consolidated Statement of Financial Position (Unaudited)	27
Consolidated Statement of Changes in Equity (Unaudited)	29
Condensed Consolidated Statement of Cash Flows (Unaudited)	31
Notes to the Unaudited Interim Financial Report	32

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CORPORATE INFORMATION

(As at 27 February 2015)

Board of Directors

Chairman

Quek Leng Chan

Executive Directors

Kwek Leng Hai – *President, CEO*

Tan Lim Heng

Non-executive Director

Kwek Leng San

Independent Non-executive Directors

Volker Stoeckel

Roderic N. A. Sage

David Michael Norman

Board Audit Committee

Roderic N. A. Sage – *Chairman*

Volker Stoeckel

David Michael Norman

Board Remuneration Committee

Volker Stoeckel – *Chairman*

Quek Leng Chan

Roderic N. A. Sage

Board Nomination Committee

Quek Leng Chan – *Chairman*

Volker Stoeckel

Roderic N. A. Sage

Chief Financial Officer

Adam R. Boswick

Company Secretary

Stella Lo Sze Man

Place of Incorporation

Bermuda

Registered Office

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Hamilton HM 12, Bermuda

Principal Office

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Branch Share Registrars

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Investor Services Limited

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FINANCIAL CALENDAR

Interim results announcement	27 February 2015
Latest time to register transfers for interim dividend	4:30 p.m. on 16 March 2015
Closure of Register of Members for interim dividend	17 March 2015
Proposed payment date of interim dividend of HK\$1.00 per share	25 March 2015

The board of directors (the “Board”) of Guoco Group Limited (the “Company”) is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 31 December 2014.

FINANCIAL RESULTS

The unaudited consolidated profit attributable to equity shareholders for the six months ended 31 December 2014, after taxation and non-controlling interests, amounted to HK\$1,620 million, as compared to HK\$3,488 million for the previous corresponding period. Basic earnings per share amounted to HK\$4.98.

For the six months ended 31 December 2014, operating profits were generated from the following sources:

- principal investment of HK\$948 million;
- hospitality and leisure business of HK\$788 million;
- property development and investment of HK\$518 million;
- contributions from associates and joint ventures of HK\$483 million; and
- oil and gas royalty of HK\$168 million.

Revenue increased by 14% to HK\$8.8 billion. The increase was mainly attributable to the increase in revenue derived from the property development and investment sector of HK\$951 million.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK\$1.00 per share amounting to approximately HK\$329.1 million (2013/2014 interim dividend: HK\$1.00 per share amounting to approximately HK\$329.1 million) for the financial year ending 30 June 2015 which will be payable on Wednesday, 25 March 2015 to the shareholders whose names appear on the Register of Members on Tuesday, 17 March 2015.

REVIEW OF OPERATIONS

Principal Investment

The six months to December 2014 was an eventful period for financial markets. Oil prices tumbled at a time when the USD appreciated sharply across all currencies. In equity markets, A-shares experienced a powerful rebound while US stock indices made consecutive all-time highs but emerging markets remained major laggards. In view of rising volatility and vulnerability for price consolidation after recent price rallies, we decided to realise more profits from our portfolio during the period under review.

With expectations for divergent monetary policies between USA and the rest of the world driving the USD higher, Group Treasury continued to fully hedge the FX exposures of our investment portfolios. Riding on the opportunities for yield enhancement provided by volatile market conditions in the foreign exchange and money markets, the Group was able to lower the overall net interest expense for the period.

Property Development and Investment

GuocoLand Limited (“GuocoLand”)

GuocoLand ended its half year with a profit attributable to equity holders of S\$69.5 million, as compared to a profit of S\$96.6 million for the previous corresponding period. The drop in profit was mainly because there had been a once-off gain from disposal of subsidiaries in the previous corresponding period.

Revenue for the half year ended 31 December 2014 increased by 19% to S\$579.3 million as compared to the previous corresponding period. Higher revenue was mainly due to recognition of the sale of an office tower in Shanghai Guoson Centre during the period.

REVIEW OF OPERATIONS (Cont'd)

Property Development and Investment (Cont'd)

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

Other income decreased by 78% to S\$25.6 million in the period under review from S\$116.4 million as compared to the previous corresponding period. Administrative expenses increased for the half year ended 31 December 2014 mainly due to higher professional fees for GuocoLand's operations in China.

Finance costs reduced by 28% to S\$34.3 million due to higher capitalisation of interest expenses during the period.

According to flash estimates released by the Singapore Urban Redevelopment Authority, overall private residential prices have fallen by 4% for the whole of 2014. This together with a volatile global economic environment suggests that the Singapore market sentiment remains weak. In China, although new home prices fell in 65 of 70 cities in December 2014, sales volume improved in major cities arising from the government's trimming borrowing costs and easing property curbs. Amidst a continued challenging operating environment, GuocoLand will focus on execution, sales and leasing of its current projects.

Hospitality and Leisure Business

GuocoLeisure Limited ("GuocoLeisure")

GuocoLeisure recorded a profit after tax for the half year ended 31 December 2014 of US\$31.2 million, an increase of 4.0% as compared to US\$30.0 million in the previous corresponding period.

Revenue stood at US\$200.6 million, which is 6.5% lower than that of the previous corresponding period. This was mainly due to lower revenue generated from the gaming and property development segments. Hotel revenue was stable as compared to previous corresponding period.

The decrease in direct costs of raw materials, consumables and services for the half-year by 5.3% was due mainly to lower gaming duty in tandem with the decrease in revenue from gaming sector during the period.

The decrease in personnel expenses was mainly due to the savings from streamlining of the hotel central support function.

Income from the Bass Strait oil and gas royalty in Australia increased by 5.4% to US\$23.6 million as compared to US\$22.4 million in the previous corresponding period, principally due to higher oil production during the period.

GuocoLeisure's first hotel under its new "Amba" brand, the Amba Hotel Charing Cross, was launched in the final quarter of 2014. The first hotel under GuocoLeisure's new "every" brand is on track to be launched in first quarter of 2015. The refurbishment of its hotels is expected to continue over the next 12 months. The impact of rooms not available for sale due to the refurbishment will continue to be felt over this period. Average occupancy for the London hotel market is expected to remain stable, with average room rates rising at modest levels.

Global oil prices have declined significantly over the past six months. To date, this has not affected GuocoLeisure's revenue from its oil and gas royalty as GuocoLeisure receives the payments one quarter in arrears. However, going forward, the downward trend in oil prices is expected to have a negative impact on GuocoLeisure's income.

GuocoLeisure refinanced its GBP138 million mortgaged debenture stock in December 2014 with a floating rate term loan. Based on prevailing benchmark rates, this is expected to result in interest cost savings for GuocoLeisure.

REVIEW OF OPERATIONS (Cont'd)

Hospitality and Leisure Business (Cont'd)

The Rank Group Plc (“Rank”)

Rank registered an increase of 11% in its profit after taxation (before exceptional items and discontinued operations) for the half year ended 31 December 2014 to GBP26.9 million.

For the half year ended 31 December 2014, Rank’s revenue from continuing operations grew by 3% to GBP361.7 million, driven by a 16% growth in revenue from digital operations and continued growth from its casino venues.

Operating profit before exceptional items of GBP40.8 million was up by 25% compared to the previous corresponding period, with all three brands recorded growing profits. The Grosvenor Casinos brand increased operating profit by 10% to GBP31.0 million, with its digital channel delivering its first ever profit. Mecca’s profits were 65% higher at GBP22.9 million, although revenue was marginally down versus the previous corresponding period. The strong profit improvement was driven by a reduction in the rate of gaming duty on bingo from 20% to 10%, improved digital profits, tight cost control in venues and closure of a number of under-performing clubs.

Exceptional items and discontinued operations credit totalling GBP17.4 million comprised a GBP1.4 million credit following the closure or sale of a number of bingo clubs and a GBP16.0 million release from tax provisions on discontinued businesses. The tax provision release predominantly relates to the successful conclusion of a long running transfer pricing dispute.

Trading since the start of the second half has followed the trends seen in the first half of the year. Rank remains in a strong financial position, possesses market-leading brands and has a clear strategy for long-term growth.

Financial Services

Hong Leong Financial Group Berhad (“HLFG”)

HLFG Group achieved a profit before tax of RM1,543.1 million for the half year ended 31 December 2014 as compared to RM1,565.8 million for the previous corresponding period, a decrease of RM22.7 million or 1.4%. The overall decrease in profit before tax was mainly due to lower contributions from the insurance division.

The commercial banking division recorded a profit before tax of RM1,411.0 million for the half year ended 31 December 2014, an increase of RM48.2 million or 3.5% versus the previous corresponding period. Although net interest income increased by 9.1% due to higher loan growth, non-interest income decreased by RM160.6 million, resulting in a drop of 2.2% in the overall revenue compared to the previous corresponding period. During the period, share of profits from Bank of Chengdu Co., Ltd and the Sichuan Jincheng Consumer Finance joint venture totalling RM190.1 million has risen to represent 13.5% of the commercial banking division’s profit before tax from 12.9% in the previous corresponding period.

The insurance division registered a profit before tax of RM111.3 million for the half year ended 31 December 2014, a decrease of 33.7% as compared to RM167.8 million for the previous corresponding period. The decrease was largely due to lower net income of RM60.4 million and higher operating expenses of RM1.3 million. This was mitigated by higher share of profit from associate company by RM5.2 million.

REVIEW OF OPERATIONS (Cont'd)

Financial Services (Cont'd)

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

The investment banking division recorded a profit before tax of RM34.3 million for the half year ended 31 December 2014 which is slightly lower than the RM35.4 million in the previous corresponding period, a decrease of 3.1%. This was mainly due to lower contributions from its investment banking and asset management divisions.

Looking ahead, HLFG believes that the Malaysian economy will be subject to a number of headwinds with low oil and commodity prices, a weakened ringgit and continued intense competition with increased regulatory compliance requirements in the financial sector. HLFG remains cautiously positive that the core businesses will still grow although at a more modest pace. HLFG continues to be on the lookout for selected regional opportunities to expand into new markets as well as where HLFG operates.

Group Financial Commentary

Capital Management

- The Group's consolidated total equity (including non-controlling interests) as at 31 December 2014 amounted to HK\$70 billion, a decrease of 1.5% compared to the total equity as at 30 June 2014.
- The Group's consolidated total equity attributable to equity shareholders of the Company as at 31 December 2014 amounted to HK\$55.8 billion, a decrease of HK\$469 million compared to the figure as at 30 June 2014.
- The equity-debt ratio as at 31 December 2014 is as follows:

	HK\$'M
Total borrowings	49,440
Less: Cash and short term funds	(20,907)
Marketable securities	(9,409)
Net debt	19,124
Total equity attributable to equity shareholders of the Company	55,775
Equity-debt ratio	74:26

- The Group's total cash balance and marketable securities were mainly in USD 48%, GBP 16%, MYR 12%, RMB 8% and HKD 7%.

REVIEW OF OPERATIONS (Cont'd)

Group Financial Commentary(Cont'd)

Total Borrowings

The increase in total borrowings from HK\$48.6 billion as at 30 June 2014 to HK\$49.4 billion as at 31 December 2014 was primarily due to the drawdown of additional bank loans by GuocoLand to support its operating activities. The Group's total borrowings are mainly denominated in SGD 57%, USD 14%, GBP 9%, HKD 6% and MYR 6%.

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

	Bank loans HK\$'M	Mortgage debenture stock HK\$'M	Other borrowings HK\$'M	Total HK\$'M
Within 1 year or on demand	12,741	–	3,130	15,871
After 1 year but within 2 years	4,352	–	2,704	7,056
After 2 years but within 5 years	18,221	–	6,297	24,518
After 5 years	505	701	789	1,995
	23,078	701	9,790	33,569
	35,819	701	12,920	49,440

Bank loans, mortgage debenture stock and other borrowings are secured by certain properties, fixed assets and trading financial assets with an aggregate book value of HK\$35 billion.

Committed borrowing facilities available to Group companies and not yet drawn as at 31 December 2014 amounted to approximately HK\$11 billion.

Interest Rate Exposure

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

As at 31 December 2014, approximately 70% of the Group's borrowings were at floating rates and the remaining 30% were at fixed rates. The Group had outstanding interest rate swaps with notional amount of HK\$3.7 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 2014, there were outstanding foreign exchange contracts with a total notional amount of HK\$24.8 billion for hedging of foreign currency equity and bond investments.

REVIEW OF OPERATIONS (Cont'd)

GROUP FINANCIAL COMMENTARY (Cont'd)

Equity Price Exposure

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

Contingent Liabilities

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

HUMAN RESOURCES AND TRAINING

The Group employed approximately 14,100 employees as at 31 December 2014. The Group continued to follow a measured approach towards achieving an optimal and efficient size of its workforce and is committed to providing its staff with ongoing development programmes to enhance productivity and work quality.

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

OUTLOOK

Looking ahead, the backdrop of low interest rates, significantly lower commodity prices and a recovering US economy should remain supportive to equities but they will be offset by valuation concern and the prospect of an eventual rate hike by the Fed. While it is perhaps too early to turn negative on markets, we are mindful that the risk-reward profile for stocks has deteriorated further as prices continue to move higher. Whereas for the currency market, the non-USD countries are using lower currency rates to boost export competitiveness and overcome deflation through import inflation. Consumption is expected to be boosted by lower commodity prices. Regulatory reforms will stay and increased capital requirements for both asset and liabilities management in financial institutions would continue to stifle trading activities and market liquidity.

We expect the operating environment for our core businesses to continue to be volatile and challenging. Our Principal Investment division will keep on its approach of focusing on under-valued stocks with good recovery potential as well as identifying long-term cyclical trends in sectors and markets. Our other core businesses will remain vigilant to stay focused on implementation of their transformation plans and business strategies that enhance their competitiveness and achieve sustainable growth.

PURCHASE, SALE OR REDEMPTION OF 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.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

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

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

Model Code for Securities Transactions by Directors

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

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

OTHER INFORMATION

Update on Directors' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Company's directors up to 27 February 2015 are set out below:

1. Mr. Quek Leng Chan, formerly the Executive Chairman of GuocoLeisure Limited, the Company's Singapore listed subsidiary, has been re-designated as Non-Executive Chairman with effect from 3 February 2015.
2. Mr. David Michael Norman resigned as a non-executive director of South China Holdings Limited (now known as "Orient Victory China Holdings Limited") with effect from 3 October 2014. He was appointed as a non-executive director of South China (China) Limited and South China Land Limited, both listed in Hong Kong, with effect from 9 December 2014.

OTHER INFORMATION (Cont'd)

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2014, 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 2014 with the disclosure deadlines under the SFO falling after 31 December 2014.

(A) The Company

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of the Company	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	1,056,325	249,425,792	250,482,117	76.12%	Note
Kwek Leng Hai	3,800,775	–	3,800,775	1.16%	
Kwek Leng San	209,120	–	209,120	0.06%	
Tan Lim Heng	566,230	–	566,230	0.17%	
David Michael Norman	4,000	–	4,000	0.00%	

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 250,482,117 shares/underlying shares comprised 242,208,117 ordinary shares of the Company and 8,274,000 underlying shares of other unlisted derivatives.

The corporate interests of 249,425,792 shares/underlying shares comprised the respective direct interests held by:

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

AFCW was wholly owned by Guoco Management Company Limited which in turn was wholly owned by the Company. The Company was 71.88% owned by GOL. GOL and GCL were wholly owned by GuoLine Capital Assets Limited which in turn was wholly owned by Hong Leong Company (Malaysia) Berhad ("HLCM"). 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.

OTHER INFORMATION (Cont'd)

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures (Cont'd)

(B) Associated Corporations

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

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

* Ordinary shares

Note:

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

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

The 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	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	13,333,333	864,170,020	877,503,353	74.15%	Note
Kwek Leng Hai	35,290,914	–	35,290,914	2.98%	
Tan Lim Heng	1,337,777	–	1,337,777	0.11%	
Volker Stoeckel	1,461,333	–	1,461,333	0.12%	

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 877,503,353 shares/underlying shares comprised 831,244,363 ordinary shares of GLL and 46,258,990 underlying shares of other unlisted derivatives.

OTHER INFORMATION (Cont'd)

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures (Cont'd)

(B) Associated Corporations (Cont'd)

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

The corporate interests of 864,170,020 shares/underlying shares comprised the respective direct interests held by:

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

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

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

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of HLFG	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	4,989,600	856,380,500	861,370,100	81.82%	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 861,370,100 shares/underlying shares comprised 824,903,500 ordinary shares of HLFG and 36,466,600 underlying shares of other unlisted derivatives.

OTHER INFORMATION (Cont'd)

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures (Cont'd)

(B) Associated Corporations (Cont'd)

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

The corporate interests of 856,380,500 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")	36,466,600
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 HL Management Co Sdn Bhd which in turn was wholly owned by HLCM.

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

SPSB was 99% owned by Mr Quek Leng Chan.

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

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

* Ordinary shares unless otherwise specified in the Note

Note:

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

OTHER INFORMATION (Cont'd)

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures (Cont'd)

(B) Associated Corporations (Cont'd)

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

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

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

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

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

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

(e) 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	911,676,434	912,411,434	66.69%	Note
Tan Lim Heng	1,100,000	–	1,100,000	0.08%	

* Ordinary shares

Note:

The corporate interests of 911,676,434 shares comprised the respective direct interests held by:

	Number of shares
GuocoLeisure Assets Limited ("GLAL")	910,261,434
GuoLine Overseas Limited ("GOL")	1,415,000

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

OTHER INFORMATION (Cont'd)

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures (Cont'd)

(B) Associated Corporations (Cont'd)

(f) *The Rank Group Plc ("Rank")*

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of Rank	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	285,207	270,686,221	270,971,428	69.36%	Note
Kwek Leng Hai	1,026,209	–	1,026,209	0.26%	
Kwek Leng San	56,461	–	56,461	0.01%	
Tan Lim Heng	152,882	–	152,882	0.04%	

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 270,971,428 shares/underlying shares comprised 269,567,428 ordinary shares of Rank and 1,404,000 underlying shares of other unlisted derivatives.

The corporate interests of 270,686,221 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuoLine Overseas Limited ("GOL")	65,830,300
GuoLine Capital Limited ("GCL")	1,404,000
Asian Financial Common Wealth (PTC) Limited ("AFCW")	1,087,252
Chaghese Limited ("CL")	162,000
Rank Assets Limited ("RAL")	202,202,669

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

OTHER INFORMATION (Cont'd)

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures (Cont'd)

(B) Associated Corporations (Cont'd)

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

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of HLI	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	–	243,578,470	243,578,470	76.24%	Note
Kwek Leng Hai	190,000	–	190,000	0.06%	
Kwek Leng San	2,520,000	–	2,520,000	0.79%	

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 243,578,470 shares/underlying shares comprised 243,367,270 ordinary shares of HLI and 211,200 underlying shares of other unlisted derivatives.

The corporate interests of 243,578,470 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Manufacturing Group Sdn Bhd ("HLMG")	238,217,035
Hong Leong Assurance Berhad ("HLA")	1,936,635
Hong Leong Bank Berhad ("HLB")	701,600
Soft Portfolio Sdn Bhd ("SPSB")	2,512,000
GuoLine Capital Limited ("GCL")	211,200

HLB was 64.37% owned by Hong Leong Financial Group Berhad ("HLFG"). HLA was 70% owned by HLA Holdings Sdn Bhd ("HLAH"). HLAH was wholly owned by HLFG which in turn was 77.31% owned by Hong Leong Company (Malaysia) Berhad ("HLCM").

HLMG was wholly owned by HLCM.

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

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

OTHER INFORMATION (Cont'd)

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures (Cont'd)

(B) Associated Corporations (Cont'd)

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

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of HLB	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	–	1,160,549,285	1,160,549,285	64.52%	Note
Kwek Leng Hai	4,750,000	–	4,750,000	0.26%	
Kwek Leng San	462,000	–	462,000	0.03%	

* Ordinary shares

Note:

The corporate interests of 1,160,549,285 shares comprised the respective direct interests held by:

	Number of shares
Hong Leong Financial Group Berhad ("HLFG")	1,143,931,005
Hong Leong Assurance Berhad ("HLA")	2,635,780
Soft Portfolio Sdn Bhd ("SPSB")	48,000
Asia Fountain Investment Company Limited ("AFI")	181,000
GuoLine Capital Limited ("GCL")	2,393,400
Hong Leong Equities Sdn Bhd ("HLESB")	11,360,100

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

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

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

OTHER INFORMATION (Cont'd)

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures (Cont'd)

(B) Associated Corporations (Cont'd)

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

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

* Ordinary shares

Note:

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

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

HLI was 74.57% owned by HLMG.

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

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

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

OTHER INFORMATION (Cont'd)

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures (Cont'd)

(B) Associated Corporations (Cont'd)

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

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

* Ordinary shares

(k) Hume Industries Berhad ("HIB") (formerly known as "Narra Industries Berhad")

Director	Number of *shares /underlying shares (Long Position)			Approx. % of the issued share capital of HIB	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	–	353,392,528	353,392,528	73.76%	Note
Kwek Leng Hai	205,200	–	205,200	0.04%	
Kwek Leng San	2,721,600	–	2,721,600	0.57%	

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 353,392,528 shares/underlying shares comprised 353,164,432 ordinary shares of HIB and 228,096 underlying shares of other unlisted derivatives.

The corporate interests of 353,392,528 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Industries Berhad ("HLI")	2,969,982
Hong Leong Assurance Berhad ("HLA")	2,091,565
Soft Portfolio Sdn Bhd ("SPSB")	2,712,960
Hong Leong Manufacturing Group Sdn Bhd ("HLMG")	344,632,197
GuoLine Capital Limited ("GCL")	228,096
Hong Leong Bank Berhad ("HLB")	757,728

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

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

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

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

OTHER INFORMATION (Cont'd)

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:

Carsem (M) Sdn Bhd	Hong Leong MSIG Takaful Berhad
Carter Realty Sdn Bhd	Hong Leong Yamaha Motor Sdn Bhd
Century Touch Sdn Bhd	Kwok Wah Hong Flour Company Limited
(In members' voluntary liquidation)	Lam Soon (Hong Kong) Limited
GLL IHT Pte. Ltd.*	Luck Hock Venture Holdings, Inc.
Guangzhou Lam Soon Food Products Limited	Southern Steel Berhad
Guocera Tile Industries (Meru) Sdn Bhd	Southern Pipe Industry (Malaysia) Sdn Bhd
Hong Leong Assurance Berhad	
Hong Leong Capital Berhad	

* 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 2014, none of the directors of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified by the directors of the Company pursuant to the Model Code required to be disclosed in accordance with the Listing Rules.

Share Options

The Company

Executive Share Option Scheme 2012 (the "ESOS 2012")

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

No option had ever been granted pursuant to the ESOS 2012 up to 31 December 2014.

OTHER INFORMATION (Cont'd)

Share Options (Cont'd)

GuocoLand Limited (“GLL”)

GuocoLand Limited Executives’ Share Option Scheme 2008 (the “GLL ESOS 2008”)

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

There were no outstanding options at any time during the six months ended 31 December 2014.

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 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 confirmed employees (including executive directors) of GL and its subsidiaries (the “GL Group”). Non-executive directors of GL, directors and employees of associated companies of GL, and directors and employees of GL’s controlling shareholders or their associates (including the Company and its subsidiaries which are not members of the GL Group) are not eligible to participate in the GL ESOS 2008.

As at 1 July 2014, options granted under GL ESOS 2008 in respect of 70,400,000 GL shares were outstanding. Options in respect of 6,000,000 GL shares lapsed during the six months ended 31 December 2014, leaving options outstanding in respect of 64,400,000 GL shares as at 31 December 2014. No options were granted or exercised during the six months ended 31 December 2014.

Details of the said options are as follows:

Grantees	Date of grant	No. of GL shares comprised in options			Note	Exercise price per GL share
		As at 1 Jul 2014	Lapsed during the period	As at 31 Dec 2014		
Directors						
Premod Paul Thomas (retired on 1 August 2014)	13 May 2013	5,000,000	5,000,000	–		S\$0.86
Michael DeNoma	13 May 2013	25,000,000	–	25,000,000	1&2	S\$0.86
Others						
Other employees	13 May 2013	40,400,000	1,000,000	39,400,000	2	S\$0.86
		70,400,000	6,000,000	64,400,000		

OTHER INFORMATION (Cont'd)

Share Options (Cont'd)

GuocoLeisure Limited (“GL”) (Cont'd)

The GuocoLeisure Limited Executives’ Share Option Scheme 2008 (the “GL ESOS 2008”) (Cont'd)

Notes:

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

Each tranche, once vested, is exercisable as follows:

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

GuocoLand (Malaysia) Berhad (“GLM”)

Executive Share Scheme (the “GLM ESS”)

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

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

Since the establishment up to 31 December 2014, no options had been granted pursuant to the GLM ESS.

OTHER INFORMATION (Cont'd)

Discloseable Interests and Short Positions of Shareholders

As at 31 December 2014, 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	Note	Approx. % of the issued share capital
Hong Leong Company (Malaysia) Berhad ("HLCM")	Interest of controlled corporations	248,825,792 (Long Position)	1 & 2	75.62%
HL Holdings Sdn Bhd ("HLH")	Interest of controlled corporations	248,825,792 (Long Position)	2 & 3	75.62%
Hong Leong Investment Holdings Pte Ltd ("HLInvst")	Interest of controlled corporations	248,825,792 (Long Position)	2 & 4	75.62%
Davos Investment Holdings Private Limited ("Davos")	Interest of controlled corporations	248,825,792 (Long Position)	2 & 5	75.62%
Kwek Leng Kee ("KLK")	Interest of controlled corporations	248,825,792 (Long Position)	2 & 6	75.62%
Elliott Capital Advisors, L.P. ("ECA")	Interest of controlled corporations	29,635,716 (Long Position)	7	9.01%
First Eagle Investment Management, LLC ("FEIM")	Investment Manager	23,042,704 (Long Position)	8	7.00%
Credit Suisse Group AG ("CS")	Interest of controlled corporations	20,408,099 (Long Position)	9	6.20%
		2,084 (Short Position)		0.00%

OTHER INFORMATION (Cont'd)

Discloseable Interests and Short Positions of Shareholders (Cont'd)

Notes:

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

These interests comprised the respective direct interests held by:

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

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

2. The interests of HLCM, HLH, HLInv, Davos and KLK are duplicated.
3. HLH was deemed to be interested in these interests through its controlling interests in HLCM which was 49.27% owned by Mr Quek Leng Chan as to 2.424% under his personal name, 46.534% via HLH which was wholly owned by him and 0.311% via Newton (L) Limited.
4. HLInv 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 HLInv.
6. KLK was deemed to be interested in these interests through his controlling interests of 41.92% in Davos.
7. ECA was deemed to be interested in the 19,263,215 shares held by Elliott International, L.P. and the 10,372,501 shares held by The Liverpool Limited Partnership, both of which are indirectly controlled by ECA.
8. FEIM was deemed to be interested in these interests held by various management accounts and funds controlled by it. The Company was subsequently notified by FEIM that, as at 31 December 2014, FEIM was deemed to be interested in 23,450,846 shares of the Company (held by various management accounts and funds controlled by it), representing approximately 7.13% of the total issued share capital of the Company.
9. These interests comprised (i) long position in 20,407,499 shares and 600 underlying shares of physically settled unlisted derivatives; and (ii) short position in 1,000 shares and 1,084 underlying shares of physically settled unlisted derivatives. Among these interests 277,600 shares (long position) and 1,084 underlying shares (short position) were directly held by Credit Suisse Securities (USA) LLC and 20,130,499 shares (long position) and 1,000 shares (short position) were directly held by Credit Suisse Securities (Europe) Limited, both indirect wholly owned subsidiaries of CS. CS was therefore deemed to be interested in these interests.

Save as disclosed above, as at 31 December 2014, the Company had not been notified by any person (other than the directors of the Company) who had interests or short positions in the shares or underlying shares of the Company of 5% or more which should be disclosed pursuant to the Part XV of the SFO or as recorded in the register maintained by the Company under Section 336 of the SFO.

CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2014 – Unaudited

	Note	2014 US\$'000	2013 US\$'000	2014 HK\$'000 (Note 19)	2013 HK\$'000 (Note 19)
Turnover	2 & 3	2,018,438	2,150,806	15,653,592	16,677,565
Revenue	2 & 3	1,128,495	990,092	8,751,817	7,677,272
Cost of sales		(562,864)	(527,122)	(4,365,179)	(4,087,357)
Other attributable costs		(19,587)	(14,590)	(151,903)	(113,132)
		546,044	448,380	4,234,735	3,476,783
Other revenue	4(a)	32,180	33,473	249,566	259,553
Other net income	4(b)	77,358	398,203	599,934	3,087,706
Administrative and other operating expenses		(343,672)	(368,604)	(2,665,279)	(2,858,192)
Profit from operations before finance costs		311,910	511,452	2,418,956	3,965,850
Finance costs	2(b) & 5(a)	(74,250)	(95,114)	(575,831)	(737,523)
Profit from operations	2	237,660	416,338	1,843,125	3,228,327
Share of profits of associates and joint ventures		62,215	68,393	482,496	530,326
Profit for the period before taxation	2 & 5	299,875	484,731	2,325,621	3,758,653
Tax expenses	6	(40,776)	(3,845)	(316,230)	(29,815)
Profit for the period		259,099	480,886	2,009,391	3,728,838
Attributable to:					
Equity shareholders of the Company		208,919	449,778	1,620,230	3,487,623
Non-controlling interests		50,180	31,108	389,161	241,215
Profit for the period		259,099	480,886	2,009,391	3,728,838
		US\$	US\$	HK\$	HK\$
Earnings per share					
Basic	8	0.64	1.38	4.98	10.73
Diluted	8	0.64	1.38	4.98	10.73

The notes on pages 32 to 48 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company attributable to the profit for the period are set out in note 7.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2014 – Unaudited

	2014 US\$'000	2013 US\$'000	2014 HK\$'000 (Note 19)	2013 HK\$'000 (Note 19)
Profit for the period	259,099	480,886	2,009,391	3,728,838
Other comprehensive income for the period (after tax and reclassification adjustments)				
Items that will not be reclassified to profit or loss:				
Actuarial (losses)/gains on defined benefit obligation	(865)	157	(6,708)	1,217
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	(261,625)	138,717	(2,028,980)	1,075,625
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	16,329	6,214	126,636	48,184
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries	(23)	(1,019)	(178)	(7,901)
Changes in fair value of cash flow hedge	(4,801)	–	(37,233)	–
Changes in fair value of available-for-sale financial assets	7,458	252,773	57,839	1,960,027
Transfer to profit or loss on disposal of available-for-sale financial assets	1,683	(16,710)	13,052	(129,571)
Release of valuation reserve upon disposal of properties	–	(17)	–	(132)
Share of other comprehensive income of associates	(7,347)	2,781	(56,978)	21,564
	(248,326)	382,739	(1,925,842)	2,967,796
Other comprehensive income for the period, net of tax	(249,191)	382,896	(1,932,550)	2,969,013
Total comprehensive income for the period	9,908	863,782	76,841	6,697,851
Total comprehensive income for the period attributable to:				
Equity shareholders of the Company	63,471	788,922	492,238	6,117,379
Non-controlling interests	(53,563)	74,860	(415,397)	580,472
	9,908	863,782	76,841	6,697,851

The notes on pages 32 to 48 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	Note	At 31 December 2014 (Unaudited) US\$'000	At 30 June 2014 (Audited) US\$'000	At 31 December 2014 (Unaudited) HK\$'000 (Note 19)	At 30 June 2014 (Audited) HK\$'000 (Note 19)
NON-CURRENT ASSETS					
Fixed assets	9				
– Investment properties		1,874,902	1,896,005	14,540,427	14,695,461
– Other property, plant and equipment		1,852,079	1,996,581	14,363,428	15,475,000
Interest in associates and joint ventures		1,015,565	1,037,393	7,876,011	8,040,574
Available-for-sale financial assets		1,818,203	1,809,851	14,100,710	14,027,703
Intangible assets		1,155,075	1,269,221	8,957,953	9,837,415
Goodwill		164,895	180,062	1,278,810	1,395,616
		7,880,719	8,189,113	61,117,339	63,471,769
CURRENT ASSETS					
Development properties	10	4,004,026	3,577,600	31,052,423	27,729,083
Properties held for sale		419,709	486,687	3,254,969	3,772,189
Trade and other receivables	11	441,183	705,718	3,421,507	5,469,844
Trading financial assets		1,213,282	1,844,269	9,409,366	14,294,468
Cash and short term funds		2,695,889	1,807,134	20,907,428	14,006,644
		8,774,089	8,421,408	68,045,693	65,272,228
CURRENT LIABILITIES					
Trade and other payables	12	853,500	772,179	6,619,149	5,984,966
Bank loans and other borrowings	13	2,046,511	2,440,712	15,871,307	18,917,349
Taxation		124,033	116,463	961,913	902,676
Provisions and other liabilities		14,435	19,154	111,948	148,458
		3,038,479	3,348,508	23,564,317	25,953,449
NET CURRENT ASSETS		5,735,610	5,072,900	44,481,376	39,318,779
TOTAL ASSETS LESS CURRENT LIABILITIES		13,616,329	13,262,013	105,598,715	102,790,548

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	Note	At 31 December 2014 (Unaudited) US\$'000	At 30 June 2014 (Audited) US\$'000	At 31 December 2014 (Unaudited) HK\$'000 (Note 19)	At 30 June 2014 (Audited) HK\$'000 (Note 19)
NON-CURRENT LIABILITIES					
Bank loans and other borrowings	13	4,328,519	3,824,853	33,568,963	29,645,479
Amount due to non-controlling interests		117,278	115,686	909,526	896,653
Provisions and other liabilities		77,385	90,822	600,144	703,939
Deferred tax liabilities		70,522	62,552	546,919	484,825
		4,593,704	4,093,913	35,625,552	31,730,896
NET ASSETS					
		9,022,625	9,168,100	69,973,163	71,059,652
CAPITAL AND RESERVES					
Share capital	14	164,526	164,526	1,275,948	1,275,200
Reserves		7,027,327	7,092,078	54,499,029	54,968,924
Total equity attributable to equity shareholders of the Company		7,191,853	7,256,604	55,774,977	56,244,124
Non-controlling interests		1,830,772	1,911,496	14,198,186	14,815,528
TOTAL EQUITY		9,022,625	9,168,100	69,973,163	71,059,652

The notes on pages 32 to 48 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2014 – Unaudited

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2014 – Unaudited

	Attributable to the equity shareholders of the Company											Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Capital and other reserves US\$'000	Contributed surplus US\$'000	ESOP reserve US\$'000	Share option reserve US\$'000	Exchange translation reserve US\$'000	Fair value reserve US\$'000	Revaluation reserve US\$'000	Retained profits US\$'000	Total US\$'000		
At 1 July 2013	164,526	10,493	(31,899)	2,544	(41,068)	(619)	186,483	154,713	8,987	6,063,753	6,517,923	1,537,605	8,055,528
Profit for the period	-	-	-	-	-	-	-	-	-	449,778	449,778	31,108	480,886
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	233	-	(14)	(78)	97,962	46	(7)	-	98,142	40,575	138,717
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	-	-	-	-	-	-	3,156	-	-	-	3,156	3,058	6,214
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries	-	-	-	-	-	-	(1,019)	-	-	-	(1,019)	-	(1,019)
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	252,729	-	-	252,729	44	252,773
Transfer to profit or loss on disposal of available-for-sale financial assets	-	-	-	-	-	-	-	(16,710)	-	-	(16,710)	-	(16,710)
Release of valuation reserve upon disposal of properties	-	-	-	-	-	-	-	-	(17)	-	(17)	-	(17)
Actuarial gains on defined benefit obligation	-	-	-	-	-	-	-	-	-	82	82	75	157
Share of other comprehensive income of associates	-	-	225	-	-	-	1,196	2,136	-	(776)	2,781	-	2,781
Total comprehensive income for the period	-	-	458	-	(14)	(78)	101,295	238,201	(24)	449,084	788,922	74,860	863,782
Transfer between reserves	-	-	20,926	-	-	-	-	-	-	(20,926)	-	-	-
Equity-settled share-based transactions	-	-	-	-	-	32	-	-	-	-	32	(300)	(268)
Purchase of own shares for share option scheme by a subsidiary	-	-	(428)	-	-	-	-	-	-	-	(428)	(215)	(643)
Partial disposal of interests in a subsidiary upon distribution of dividend in specie	-	-	-	-	-	185	(764)	-	-	(5,248)	(5,827)	220,514	214,687
Disposal of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(485)	(485)
Distribution payment for perpetual securities	-	-	-	-	-	-	-	-	-	-	-	(2,535)	(2,535)
Dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(28,445)	(28,445)
Special interim dividend paid in respect of the prior year	-	-	-	-	-	-	-	-	-	(209,816)	(209,816)	-	(209,816)
Final dividend paid in respect of the prior year	-	-	-	-	-	-	-	-	-	(62,882)	(62,882)	-	(62,882)
At 31 December 2013	164,526	10,493	(10,933)	2,544	(41,082)	(480)	287,014	392,914	8,963	6,213,965	7,027,924	1,800,999	8,828,923

The notes on pages 32 to 48 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2014 – Unaudited

	2014 US\$'000	2013 US\$'000
Net cash generated from operating activities	991,322	496,249
Net cash (used in)/generated from investing activities	(120,651)	131,344
Net cash generated from/(used in) financing activities	59,123	(145,197)
Net increase in cash and cash equivalents	929,794	482,396
Cash and cash equivalents at 1 July	1,531,983	1,613,211
Effect of foreign exchange rate changes	(37,944)	9,667
Cash and cash equivalents at 31 December	2,423,833	2,105,274
Analysis of the balances of cash and cash equivalents		
Cash and short term funds in the consolidated statement of financial position	2,695,889	2,566,465
Cash collateral	(272,056)	(461,191)
Cash and cash equivalents in the condensed consolidated statement of cash flows	2,423,833	2,105,274

Cash flows from investing activities

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

Included in the cash flows from investing activities for the six months ended 31 December 2013 was a US\$193.5 million proceed from disposal of subsidiaries in respect of the sale of a project located in Nanjing, China completed during the period, resulting in a gain of US\$78.5 million recognised in the other net income in note 4(b) to the financial statements.

The notes on pages 32 to 48 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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 2013/14 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2014/15 annual financial statements.

The HKICPA has issued a number of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), which term collectively includes HKASs and Interpretations, that are first effective for the current accounting period of the Group. The adoption of the new standards, amendments and interpretations had no material impact on the results and financial position of the Group. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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 2013/14 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for the 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 2014 included in the interim financial report is extracted from the Company’s statutory financial statements. Statutory financial statements for the year ended 30 June 2014 can be obtained on request at the Group Company Secretariat, 50/F The Center, 99 Queen’s Road Central, Hong Kong, or from the Company’s website <http://www.guoco.com>. The auditors expressed an unqualified opinion on those financial statements in their report dated 29 August 2014.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

2. SEGMENT REPORTING

In a manner consistent with the way in which information is reported internally to the Group's senior executive management for the purposes of resource allocation and performance assessment, the Group has 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 segment:

Segment	Business activities	Operated by
Principal investment:	This segment covers equity and direct investments as well as treasury operations, with trading and strategic investments in global capital markets.	Subsidiaries
Property development and investment:	This segment involves development of residential and commercial properties and holding properties for rental income in the key geographical markets of Singapore, China, Malaysia, Vietnam and Hong Kong.	Subsidiaries
Hospitality and leisure business:	This business segment owns, leases or manages hotels and operates gaming and leisure businesses in the United Kingdom, Spain and Belgium.	Subsidiaries
Securities, commodities and brokerage:	This segment provides stock and commodities broking and corporate advisory services principally in Hong Kong.	Subsidiaries
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 the financial year 2013/14.

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 2014							
Turnover	947,793	291,859	774,217	4,569	-	-	2,018,438
Revenue from external customers	57,850	291,859	774,217	4,569	-	-	1,128,495
Inter-segment revenue	1,562	515	778	572	-	-	3,427
Reportable segment revenue	59,412	292,374	774,995	5,141	-	-	1,131,922
Operating profit	122,245	66,774	101,595	799	21,664	-	313,077
Finance costs	(21,850)	(26,538)	(26,040)	(795)	(194)	-	(75,417)
Share of profits/(losses) of associates and joint ventures	-	(614)	-	-	-	62,829	62,215
Profit before taxation	100,395	39,622	75,555	4	21,470	62,829	299,875
For the six months ended 31 December 2013							
Turnover	1,211,985	169,229	764,209	5,383	-	-	2,150,806
Revenue from external customers	51,271	169,229	764,209	5,383	-	-	990,092
Inter-segment revenue	1,565	584	-	180	-	-	2,329
Reportable segment revenue	52,836	169,813	764,209	5,563	-	-	992,421
Operating profit	346,139	102,385	41,113	1,688	20,467	-	511,792
Finance costs	(18,878)	(37,411)	(38,327)	(637)	(201)	-	(95,454)
Share of profits of associates and joint ventures	-	2,549	-	-	-	65,844	68,393
Profit before taxation	327,261	67,523	2,786	1,051	20,266	65,844	484,731

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

2. SEGMENT REPORTING (Cont'd)

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

Revenue

	Six months ended 31 December	
	2014	2013
	US\$'000	US\$'000
Reportable segment revenue	1,131,922	992,421
Elimination of inter-segment revenue	(3,427)	(2,329)
Consolidated revenue (note 3)	1,128,495	990,092

Finance costs

	Six months ended 31 December	
	2014	2013
	US\$'000	US\$'000
Reportable finance costs	75,417	95,454
Elimination of inter-segment finance costs	(1,167)	(340)
Consolidated finance costs (note 5(a))	74,250	95,114

(c) Geographical information (unaudited)

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

	Revenue from external customers		Profit/(loss) from operations	
	Six months ended 31 December		Six months ended 31 December	
	2014	2013	2014	2013
	US\$'000	US\$'000	US\$'000	US\$'000
The People's Republic of China				
– Hong Kong	62,943	57,001	100,467	330,027
– Mainland China	166,021	94,673	28,102	74,778
United Kingdom and Continental Europe	754,900	744,977	78,772	6,010
Singapore	128,241	34,417	(Note) 14,084	(30,318)
Australasia and others	16,390	59,024	16,235	35,841
	1,128,495	990,092	237,660	416,338

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

2. SEGMENT REPORTING (Cont'd)

(c) Geographical information (unaudited) (Cont'd)

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

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

Accordingly, operating profits of GuocoLand for the period amounting to US\$38.7 million (2013: US\$41.6 million) in Singapore have been deferred for recognition in the consolidated financial statements. The Group has not recognised any operating profits of GuocoLand for the period (2013: Nil) which have been deferred in previous years. Up to 31 December 2014, accumulated operating profits of GuocoLand totalling US\$106.6 million (2013: US\$105.4 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.

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	
	2014	2013
	(Unaudited)	(Unaudited)
	US\$'000	US\$'000
Revenue from sale of properties	275,991	154,917
Revenue from hotel and gaming operations	770,560	760,657
Interest income	23,454	19,390
Dividend income from listed securities	44,010	42,305
Rental income from properties	9,026	8,584
Securities commission and brokerage	2,352	2,875
Others	3,102	1,364
Revenue	1,128,495	990,092
Proceeds from sale of investments in securities	889,943	1,160,714
Turnover	2,018,438	2,150,806

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

4. OTHER REVENUE AND NET INCOME

(a) Other revenue

	Six months ended 31 December	
	2014 (Unaudited) US\$'000	2013 (Unaudited) US\$'000
Sublease income	2,913	2,888
Bass Strait oil and gas royalty	23,559	22,412
Hotel management fee	3,617	3,356
Others	2,091	4,817
	32,180	33,473

(b) Other net income

	Six months ended 31 December	
	2014 (Unaudited) US\$'000	2013 (Unaudited) US\$'000
Net realised and unrealised gains on trading financial assets	72,621	290,612
Net realised and unrealised (losses)/gains on derivative financial instruments	(1,316)	4,967
Net realised gains on disposal of available-for-sale financial assets	4,813	20,889
Net gains on foreign exchange contracts	10,138	213
Other exchange (losses)/gains	(9,951)	2,146
Net gains on disposal of fixed assets	196	58
(Loss)/gain on disposal of subsidiaries	(597)	78,498
Other income	1,454	820
	77,358	398,203

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

5. PROFIT FOR THE PERIOD BEFORE TAXATION

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

(a) Finance costs

	Six months ended 31 December	
	2014 (Unaudited) US\$'000	2013 (Unaudited) US\$'000
Interest on bank advances and other borrowings wholly repayable within five years	110,754	113,535
Other borrowing costs	8,557	20,829
Total borrowing costs	119,311	134,364
Less: borrowing costs capitalised into:		
– development properties	(25,314)	(21,922)
– investment properties	(2,039)	(15,501)
– other property, plant and equipment	(17,708)	(1,827)
Total borrowing costs capitalised (Note)	(45,061)	(39,250)
	74,250	95,114

Note: These borrowing costs have been capitalised at rates of 1.11% to 7.56% per annum (2013: 1.11% to 7.57%).

(b) Staff cost

	Six months ended 31 December	
	2014 (Unaudited) US\$'000	2013 (Unaudited) US\$'000
Contributions to defined contribution retirement plans	6,550	7,522
Expenses recognised in respect of defined benefit retirement plans	154	–
Total retirement costs	6,704	7,522
Equity-settled share-based payment expenses/ (forfeited)	385	(312)
Salaries, wages and other benefits	244,036	244,573
	251,125	251,783

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

(c) Other items

	Six months ended 31 December	
	2014 (Unaudited) US\$'000	2013 (Unaudited) US\$'000
Depreciation	45,485	45,615
Amortisation		
– casino licences and brand name	726	649
– Bass Strait oil and gas royalty	1,895	1,961
– other intangible assets	3,999	4,277
Gross rental income from investment properties	(9,026)	(8,584)
Less: direct outgoings	2,499	2,850
Net rental income	(6,527)	(5,734)

6. TAX EXPENSES

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

	Six months ended 31 December	
	2014 (Unaudited) US\$'000	2013 (Unaudited) US\$'000
Current tax – Hong Kong Profits Tax	17,143	192
Current tax – Overseas	15,770	6,433
Deferred taxation	7,863	(2,780)
	40,776	3,845

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2013: 16.5%) to the profits for the six months ended 31 December 2014. Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant countries.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

7. DIVIDENDS

	Six months ended 31 December	
	2014 (Unaudited) US\$'000	2013 (Unaudited) US\$'000
Dividends payable/paid in respect of the current year:		
– Interim dividend declared of HK\$1.00 (2013: HK\$1.00) per ordinary share	42,429	42,436
Dividends paid in respect of the prior year:		
– No special interim dividend (2013: Special interim dividend of HK\$5.01 (Note)) per ordinary share	–	209,816
– Final dividend of HK\$3.00 (2013: HK\$1.50) per ordinary share	125,792	62,882
	125,792	272,698

Note: Following the declaration of the special interim dividend in specie in respect of the financial year 2012/13 on 3 July 2013, the distribution of The Rank Group Plc (“Rank”) shares was completed on 5 September 2013 (“settlement date”). Based on the closing price of GBp153.1 per Rank share and the exchange rate on this settlement date, the special interim dividend paid was approximately US\$209.8 million, representing approximately HK\$5.01 per ordinary share.

The interim dividend declared for the year ending 30 June 2015 of US\$42,429,000 (2014: US\$42,436,000) is calculated based on 329,051,373 ordinary shares (2013: 329,051,373 ordinary shares) in issue at 31 December 2014.

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.

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of US\$208,919,000 (2013: US\$449,778,000) and the weighted average number of 325,024,511 ordinary shares (2013: 325,024,511 ordinary shares) in issue during the period.

(b) Diluted earnings per share

For the six months ended 31 December 2014 and 2013, the diluted earnings per share equalled the basic earnings per share as there was no dilutive potential ordinary share outstanding during the periods.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

9. FIXED ASSETS

During the six months ended 31 December 2014, the Group acquired fixed assets with a cost of US\$57,894,000 (2013: US\$52,258,000). The Group disposed of fixed assets with a net book value of US\$1,590,000 during the six months ended 31 December 2014 (2013: US\$776,000).

10. DEVELOPMENT PROPERTIES

	At 31 December 2014 (Unaudited) US\$'000	At 30 June 2014 (Audited) US\$'000
Cost	4,280,526	4,584,903
Add: Additions through acquisition of subsidiary	86,810	–
Less: Impairment loss	(7,545)	(8,252)
Progress instalments received and receivable	(327,321)	(915,536)
Transfer to properties held for sale	(27,978)	(83,515)
Transfer to investment properties	(466)	–
	4,004,026	3,577,600

11. TRADE AND OTHER RECEIVABLES

	At 31 December 2014 (Unaudited) US\$'000	At 30 June 2014 (Audited) US\$'000
Trade debtors	145,013	182,278
Accrued receivables for sales consideration not yet billed on completed development properties	93,930	174,120
Deposits and prepayments	144,511	338,320
Derivative financial instruments, at fair value	50,357	6,012
Interest receivables	7,372	4,988
	441,183	705,718

Included in trade and other receivables is US\$9.5 million (30 June 2014: US\$10.8 million) which is expected to be recovered after one year.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

11. TRADE AND OTHER RECEIVABLES (Cont'd)

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

	At 31 December 2014 (Unaudited) US\$'000	At 30 June 2014 (Audited) US\$'000
Within 1 month	139,107	177,219
1 to 3 months	4,388	4,064
More than 3 months	1,518	995
	145,013	182,278

12. TRADE AND OTHER PAYABLES

	At 31 December 2014 (Unaudited) US\$'000	At 30 June 2014 (Audited) US\$'000
Trade creditors	81,885	126,206
Other payables and accrued operating expenses	726,304	612,755
Derivative financial instruments, at fair value	24,727	12,021
Amounts due to fellow subsidiaries	20,550	21,159
Amounts due to associates	34	38
	853,500	772,179

Included in trade and other payables is US\$116.5 million (30 June 2014: US\$127.8 million) which is expected to be payable after one year.

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

	At 31 December 2014 (Unaudited) US\$'000	At 30 June 2014 (Audited) US\$'000
Within 1 month	69,106	116,929
1 to 3 months	2,783	2,199
More than 3 months	9,996	7,078
	81,885	126,206

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

13. BANK LOANS AND OTHER BORROWINGS

	At 31 December 2014 (Unaudited)			At 30 June 2014 (Audited)		
	Current portion US\$'000	Non-current portion US\$'000	Total US\$'000	Current portion US\$'000	Non-current portion US\$'000	Total US\$'000
Bank loans						
– Secured	841,159	1,727,753	2,568,912	763,349	1,548,721	2,312,070
– Unsecured	801,732	1,248,112	2,049,844	811,654	968,533	1,780,187
	1,642,891	2,975,865	4,618,756	1,575,003	2,517,254	4,092,257
Unsecured other loans	4,762	16,069	20,831	5,476	20,026	25,502
Unsecured medium term notes and bonds	398,858	1,246,232	1,645,090	621,744	1,188,390	1,810,134
Secured mortgage debenture stock	–	90,353	90,353	238,489	99,183	337,672
	2,046,511	4,328,519	6,375,030	2,440,712	3,824,853	6,265,565

14. SHARE CAPITAL

	At 31 December 2014 (Unaudited)		At 30 June 2014 (Audited)	
	No. of shares '000	US\$'000	No. of shares '000	US\$'000
Authorised:				
Ordinary shares of US\$0.50 each	1,000,000	500,000	1,000,000	500,000
Issued and fully paid	329,051	164,526	329,051	164,526

Note: As at 31 December 2014, 4,026,862 ordinary shares (30 June 2014: 4,026,862 ordinary shares) were acquired by the Group to reserve for the executive share option scheme for the purpose of satisfying the exercise of share options to be granted to eligible employees.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

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

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

	At 31 December 2014 (Unaudited)				At 30 June 2014 (Audited)			
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Recurring fair value measurements								
Assets								
Available-for-sale financial assets:								
– Listed	1,771,475	-	-	1,771,475	1,767,820	-	-	1,767,820
– Unlisted	-	28,100	3,628	31,728	-	38,400	3,631	42,031
Trading equity securities:								
– Listed	1,213,282	-	-	1,213,282	1,844,269	-	-	1,844,269
Derivative financial instruments:								
– Interest rate swaps	-	591	-	591	-	781	-	781
– Forward exchange contracts	-	48,245	-	48,245	-	1,293	-	1,293
– Equity options	-	1,521	-	1,521	-	3,938	-	3,938
	2,984,757	78,457	3,628	3,066,842	3,612,089	44,412	3,631	3,660,132
Liabilities								
Derivative financial instruments:								
– Interest rate swaps	-	6,431	-	6,431	-	3,121	-	3,121
– Forward exchange contracts	-	18,296	-	18,296	-	8,900	-	8,900
	-	24,727	-	24,727	-	12,021	-	12,021

During the six months ended 31 December 2014, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2013: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Cont'd)

(a) Financial assets and liabilities measured at fair value (Cont'd)

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

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

(iii) Information about Level 3 fair value measurements

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

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

	At 31 December 2014 (Unaudited) US\$'000	At 31 December 2013 (Unaudited) US\$'000
Unlisted available-for-sale financial assets:		
At 1 July	3,631	35,113
Net unrealised losses recognised in other comprehensive income during the period	(2)	(9)
Exchange differences	(1)	10
At 31 December	3,628	35,114
Total gains or losses for the period reclassified from other comprehensive income on disposal	-	-

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Cont'd)

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

Other than for the mortgage debenture stock, the carrying amounts of the financial instruments carried at cost or amortised cost are not materially different from their fair values at 31 December 2014 and 30 June 2014.

The fair value of the mortgage debenture stock at 31 December 2014 is estimated to be US\$124.4 million (30 June 2014: US\$378.0 million) and is classified within Level 3 of the fair value hierarchy. The interest rate used to discount estimated cash flows at the reporting date was 1.5% (30 June 2014: ranged from 0.5% to 2.4%).

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

	At 31 December 2014 (Unaudited) US\$'000	At 30 June 2014 (Audited) US\$'000
Authorised and contracted for	4,221	20,387
Authorised but not contracted for	22,717	31,219
	26,938	51,606

At 31 December 2014, the commitment in respect of development expenditure contracted but not provided for in the financial statements by the Group was US\$1,050.9 million (30 June 2014: US\$1,175.6 million); in respect of purchase of land was US\$nil (30 June 2014: US\$318.9 million).

17. CONTINGENT LIABILITIES

(a) GuocoLand

In relation to the legal proceedings regarding the interests of GuocoLand in the Dongzhimen ("DZM") project in Beijing referred to in the Group's annual report 2014, GuocoLand announced on 8 September 2014 that a judgment had been obtained from the Hainan High Court. The judgment effectively restores GuocoLand's ownership in Hainan Jing Hao Asset Limited which holds 90% of Beijing Cheng Jian Dong Hua Real Estate Development Company Limited, the owner of the DZM project in Beijing. GuocoLand will evaluate all options for this investment in Beijing.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

17. CONTINGENT LIABILITIES (Cont'd)

(b) Rank

Property leases

Concurrent to the GBP211 million (approximately US\$329 million) sale and leaseback in 2006, Rank transferred the rights and obligations but not the legal titles of 44 property leases to a third party. Rank remains potentially liable in the event of default by the third party. Should default occur then Rank would have recourse to two guarantors. It is understood that, of the original 44 leases transferred, 14 of these have not expired or been surrendered. These 14 leases have durations of between one month and 98.5 years and a current annual rental obligation (net of sub-let income) of approximately GBP1.5 million (approximately US\$2.3 million).

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

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	
	2014 (Unaudited) US\$'000	2013 (Unaudited) US\$'000
Interest income	526	634

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

18. MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

(a) Banking transactions (Cont'd)

(ii) Balance

	At 31 December 2014 (Unaudited) US\$'000	At 30 June 2014 (Audited) US\$'000
Cash and short term funds	23,636	40,944

(b) Management fee

On 2 July 2014, the Company renewed its master services agreement with GOMC Limited ("GOMC") and GuoLine Group Management Co. Limited ("GGMC"), subsidiaries of HLCCM, for provision by GOMC or GGMC of management services to the Company and/or its subsidiaries (excluding those subsidiaries which are from time to time incorporated, resident or having principal place of business in Malaysia (the "Malaysian Subsidiaries")), for a term of 3 years from 1 July 2014 to 30 June 2017. Total amount paid or provided for in respect of management fees to GOMC and GGMC for the six months ended 31 December 2014 amounted to US\$3,387,000 (2013: US\$4,683,000) and US\$4,302,000 (2013: US\$9,629,000) respectively.

On 2 July 2014, the Company renewed its master services agreement with HL Management Co Sdn Bhd ("HLMC"), a subsidiary of HLCCM, for the provision of management services to the Malaysian Subsidiaries of the Company for a term of 3 years from 1 July 2014 to 30 June 2017. Total amount paid or provided for in respect of management fees to HLMC for the six months ended 31 December 2014 amounted to US\$182,000 (2013: US\$347,000).

The previous two master service agreements entered into between the Group and the subsidiaries of HLCCM expired on 30 June 2014.

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 2014 have been reviewed by the Board Audit Committee of the Company. The information in these interim results does not constitute statutory accounts.