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**ANNOUNCEMENT OF INTERIM RESULTS
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2015**

	Six months ended 31 December		
	2015 HK\$'M	2014 HK\$'M	Increase /(decrease)
Turnover	10,893	15,654	(30%)
Revenue	9,767	8,752	12%
Profit from operations	4,580	1,843	149%
Profit attributable to equity shareholders of the Company	2,529	1,620	56%
	HK\$	HK\$	
Earnings per share	7.78	4.98	56%
Interim dividend per share	1.00	1.00	-
	As at 31 Decemeber 2015	As at 30 June 2015	
	HK\$	HK\$	
Equity per share attributable to equity shareholders of the Company	168.46	177.60	(5%)

RESULTS

The unaudited consolidated results of Guoco Group Limited (the “Company”) and its subsidiaries (together the “Group”) for the six months ended 31 December 2015 together with comparative figures for the corresponding period last year are as follows:

CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2015 - Unaudited

	Note	2015 HK\$'000	2014 HK\$'000
Turnover	2 & 3	10,892,842	15,653,592
Revenue	2 & 3	9,767,426	8,751,817
Cost of sales		(5,168,615)	(4,365,179)
Other attributable costs		(157,868)	(151,903)
		4,440,943	4,234,735
Other revenue		230,214	249,566
Other net income	4	2,871,662	599,934
Administrative and other operating expenses		(2,520,517)	(2,665,279)
Profit from operations before finance costs		5,022,302	2,418,956
Finance costs	2(b) & 5(a)	(442,672)	(575,831)
Profit from operations	2	4,579,630	1,843,125
Valuation surplus on investment properties		28,350	-
Share of profits of associates and joint ventures		311,411	482,496
Profit for the period before taxation	2 & 5	4,919,391	2,325,621
Tax expenses	6	(882,183)	(316,230)
Profit for the period		4,037,208	2,009,391
Attributable to:			
Equity shareholders of the Company		2,528,818	1,620,230
Non-controlling interests		1,508,390	389,161
Profit for the period		4,037,208	2,009,391
Earnings per share		HK\$	HK\$
Basic	8	7.78	4.98
Diluted	8	7.78	4.98

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2015 - Unaudited

	2015 HK\$'000	2014 HK\$'000
Profit for the period	4,037,208	2,009,391
Other comprehensive income for the period (after tax and reclassification adjustments)		
Items that will not be reclassified to profit or loss:		
Actuarial losses on defined benefit obligation	(977)	(6,708)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	(2,755,846)	(2,028,980)
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	(74,741)	126,636
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries	(745,922)	(178)
Changes in fair value of cash flow hedge	(22,948)	(37,233)
Changes in fair value of available-for-sale financial assets	(2,154,368)	57,839
Transfer to profit or loss on disposal of available-for-sale financial assets	-	13,052
Release of revaluation reserve upon disposal of properties	(147)	-
Share of other comprehensive income of associates	90,667	(56,978)
	(5,663,305)	(1,925,842)
Other comprehensive income for the period, net of tax	(5,664,282)	(1,932,550)
Total comprehensive income for the period	(1,627,074)	76,841
Total comprehensive income for the period attributable to:		
Equity shareholders of the Company	(2,031,144)	492,238
Non-controlling interests	404,070	(415,397)
	(1,627,074)	76,841

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

		At 31 December 2015 (Unaudited) HK\$'000	At 30 June 2015 (Audited) HK\$'000
	Note		
NON-CURRENT ASSETS			
Investment properties		14,630,132	14,708,484
Other property, plant and equipment		13,878,010	14,556,234
Interest in associates and joint ventures		7,262,579	7,342,114
Available-for-sale financial assets		12,121,752	13,787,439
Intangible assets		8,548,692	9,039,945
Goodwill		1,216,502	1,289,398
Pensions surplus		90,450	80,203
		<u>57,748,117</u>	<u>60,803,817</u>
CURRENT ASSETS			
Development properties		13,130,035	24,853,204
Properties held for sale		6,269,750	7,906,293
Trade and other receivables	9	3,541,285	5,536,002
Trading financial assets		9,595,236	7,549,450
Cash and short term funds		25,238,821	20,477,389
Assets held for sale		1,641,814	870,912
		<u>59,416,941</u>	<u>67,193,250</u>
CURRENT LIABILITIES			
Trade and other payables	10	5,953,930	6,637,198
Bank loans and other borrowings		4,701,351	12,078,105
Taxation		1,126,579	1,112,605
Provisions and other liabilities		100,982	131,723
Liabilities held for sale		1,027,968	567,946
		<u>12,910,810</u>	<u>20,527,577</u>
NET CURRENT ASSETS			
		<u>46,506,131</u>	<u>46,665,673</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>104,254,248</u>	<u>107,469,490</u>
NON-CURRENT LIABILITIES			
Bank loans and other borrowings		31,844,913	32,032,835
Amount due to non-controlling interests		1,020,342	970,471
Provisions and other liabilities		564,595	618,210
Deferred tax liabilities		378,215	529,729
		<u>33,808,065</u>	<u>34,151,245</u>
NET ASSETS			
		<u>70,446,183</u>	<u>73,318,245</u>
CAPITAL AND RESERVES			
Share capital		1,275,077	1,275,414
Reserves		54,156,295	57,163,694
Total equity attributable to equity shareholders of the Company		<u>55,431,372</u>	<u>58,439,108</u>
Non-controlling interests		15,014,811	14,879,137
TOTAL EQUITY		<u>70,446,183</u>	<u>73,318,245</u>

Notes:

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, including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2014/15 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015/16 annual financial statements.

The Group has adopted all new or revised Hong Kong Financial Reporting Standards ("HKFRSs"), which term collectively includes HKASs and Interpretations, issued by the HKICPA that are mandatory for application for the current accounting period of the Group. The adoption of the new standards, amendments to standards and interpretations that are relevant to the Group had no material impact on the results and financial position of the Group.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2014/15 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

The interim financial report is unaudited. The financial information relating to the financial year ended 30 June 2015 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 30 June 2015 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 28 August 2015.

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 five 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:	This segment owns, leases or manages hotels and operates gaming and leisure businesses in the United Kingdom, Spain and Belgium.	Subsidiaries
Financial services:	This segment covers commercial and consumer banking, Islamic banking, investment banking, life and general insurance, Takaful insurance, fund management and unit trust, stock and commodities broking, bullion trading and corporate advisory services.	Subsidiaries and associate
Oil and gas:	This segment receives royalty income from the entitlement of Bass Strait oil trust in Australia.	Subsidiary

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 2014/15.

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 HK\$'000	Property development and investment HK\$'000	Hospitality and leisure HK\$'000	Financial services HK\$'000	Oil and gas HK\$'000	Total HK\$'000
For the six months ended 31 December 2015						
Turnover	1,507,925	3,489,205	5,866,843	28,869	-	10,892,842
Revenue from external customers	382,509	3,489,205	5,866,843	28,869	-	9,767,426
Inter-segment revenue	17,655	5,255	-	2,588	-	25,498
Reportable segment revenue	400,164	3,494,460	5,866,843	31,457	-	9,792,924
Operating profit/(loss)	(192,494)	4,162,897	982,421	(2,682)	81,429	5,031,571
Finance costs	(153,675)	(197,315)	(96,170)	(4,781)	-	(451,941)
Valuation surplus on investment properties	-	28,350	-	-	-	28,350
Share of profits of associates and joint ventures	-	8,673	-	302,738	-	311,411
Profit/(loss) before taxation	(346,169)	4,002,605	886,251	295,275	81,429	4,919,391
For the six months ended 31 December 2014						
Turnover	7,350,419	2,263,454	6,004,285	35,434	-	15,653,592
Revenue from external customers	448,644	2,263,454	6,004,285	35,434	-	8,751,817
Inter-segment revenue	12,114	3,994	6,034	4,436	-	26,578
Reportable segment revenue	460,758	2,267,448	6,010,319	39,870	-	8,778,395
Operating profit	948,047	517,852	787,900	6,196	168,011	2,428,006
Finance costs	(169,453)	(205,810)	(201,948)	(6,165)	(1,505)	(584,881)
Share of profits/(losses) of associates and joint ventures	-	(4,762)	-	487,258	-	482,496
Profit before taxation	778,594	307,280	585,952	487,289	166,506	2,325,621

2. SEGMENT REPORTING (cont'd)

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

Revenue

	Six months ended 31 December	
	2015	2014
	HK\$'000	HK\$'000
Reportable segment revenue	9,792,924	8,778,395
Elimination of inter-segment revenue	<u>(25,498)</u>	<u>(26,578)</u>
Consolidated revenue (note 3)	<u>9,767,426</u>	<u>8,751,817</u>

Finance costs

	Six months ended 31 December	
	2015	2014
	HK\$'000	HK\$'000
Reportable finance costs	451,941	584,881
Elimination of inter-segment finance costs	<u>(9,269)</u>	<u>(9,050)</u>
Consolidated finance costs (note 5(a))	<u>442,672</u>	<u>575,831</u>

2. SEGMENT REPORTING (cont'd)

(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		Six months ended	
	31 December		31 December	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The People's Republic of China				
- Hong Kong	413,393	488,142	(361,460)	779,152
- Mainland China	1,351,305	1,287,543	3,651,505	217,939
United Kingdom and Continental Europe	5,764,264	5,854,476	889,212	610,901
Singapore	1,812,051	994,547	(Note) 208,537	109,226
Australasia and others	426,413	127,109	191,836	125,907
	9,767,426	8,751,817	4,579,630	1,843,125

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 HK\$44.2 million (2014: HK\$300.1 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 (2014: Nil) which have been deferred in previous years. Up to 31 December 2015, accumulated operating profits of GuocoLand totalling HK\$60.5 million (2014: HK\$826.7 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 31 December	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Revenue from sale of properties	3,377,288	2,140,393
Revenue from hospitality and leisure	5,861,457	5,975,924
Interest income	124,550	181,893
Dividend income from listed securities	318,114	341,311
Rental income from properties	56,420	69,999
Securities commission and brokerage	15,337	18,240
Others	14,260	24,057
Revenue	<u>9,767,426</u>	<u>8,751,817</u>
Proceeds from sale of investments in securities	<u>1,125,416</u>	<u>6,901,775</u>
Turnover	<u><u>10,892,842</u></u>	<u><u>15,653,592</u></u>

4. OTHER NET INCOME

	Six months ended 31 December	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Net realised and unrealised (losses)/gains on trading financial assets	(516,390)	563,198
Net realised and unrealised gains/(losses) on derivative financial instruments	1,217	(10,206)
Net realised gains on disposal of available-for-sale financial assets	-	37,326
Net gains on foreign exchange contracts	128,681	78,623
Other exchange losses	(18,577)	(77,173)
Net gains on disposal of property, plant and equipment	72,129	1,520
Gain/(loss) on disposal of subsidiaries	3,197,170	(4,630)
Other income	7,432	11,276
	<u><u>2,871,662</u></u>	<u><u>599,934</u></u>

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	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Interest on bank advances and other borrowings wholly repayable within five years	646,931	858,931
Other borrowing costs	88,954	66,362
Total borrowing costs	<u>735,885</u>	<u>925,293</u>
Less: borrowing costs capitalised into:		
- development properties	(97,332)	(196,318)
- investment properties	(175,274)	(15,813)
- other property, plant and equipment	(20,607)	(137,331)
Total borrowing costs capitalised (Note)	<u>(293,213)</u>	<u>(349,462)</u>
	<u>442,672</u>	<u>575,831</u>

Note: These borrowing costs have been capitalised at rates of 2.06% to 8.00% per annum (2014: 1.11% to 7.56%).

(b) Staff cost	Six months ended 31 December	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Contributions to defined contribution retirement plans	44,524	50,797
Expenses recognised in respect of defined benefit retirement plans	876	1,194
Total retirement costs	<u>45,400</u>	<u>51,991</u>
Equity-settled share-based payment expenses	17,422	2,986
Salaries, wages and other benefits	1,814,282	1,892,572
	<u>1,877,104</u>	<u>1,947,549</u>

(c) Other items	Six months ended 31 December	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Depreciation	337,861	352,750
Amortisation		
- casino licences and brand names	5,658	5,630
- Bass Strait oil and gas royalty	11,951	14,696
- other intangible assets	42,710	31,013
Gross rental income from investment properties	<u>(56,420)</u>	<u>(69,999)</u>
Less: direct outgoings	<u>20,003</u>	<u>19,380</u>
Net rental income	<u>(36,417)</u>	<u>(50,619)</u>

6. TAX EXPENSES

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

	Six months ended 31 December	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Current tax - Hong Kong Profits Tax	3,604	132,949
Current tax - Overseas	940,711	122,301
Deferred taxation	(62,132)	60,980
	<u>882,183</u>	<u>316,230</u>

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2014: 16.5%) to the profits for the six months ended 31 December 2015. 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.

7. DIVIDENDS

	Six months ended 31 December	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Dividends payable/paid in respect of the current year:		
- Interim dividend declared of HK\$1.00 (2014: HK\$1.00) per ordinary share	<u>329,050</u>	<u>329,051</u>
Dividends paid in respect of the prior year:		
- Final dividend of HK\$3.00 (2014: HK\$3.00) per ordinary share	<u>975,043</u>	<u>975,555</u>

The interim dividend declared for the year ending 30 June 2016 of HK\$329,050,000 (2015: HK\$329,051,000) is calculated based on 329,051,373 ordinary shares (2014: 329,051,373 ordinary shares) in issue at 31 December 2015.

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 HK\$2,528,818,000 (2014: HK\$1,620,230,000) and the weighted average number of 325,024,511 ordinary shares (2014: 325,024,511 ordinary shares) in issue during the period.

(b) Diluted earnings per share

For the six months ended 31 December 2015 and 2014, the diluted earnings per share equalled the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the periods.

9. TRADE AND OTHER RECEIVABLES

	At 31 December 2015 (Unaudited) HK\$'000	At 30 June 2015 (Audited) HK\$'000
Trade debtors	544,050	1,774,964
Accrued receivables for sales consideration not yet billed on completed development properties	935,836	2,122,503
Other receivables, deposits and prepayments	1,804,386	1,386,594
Derivative financial instruments, at fair value	232,291	219,313
Interest receivables	24,722	32,628
	<u>3,541,285</u>	<u>5,536,002</u>

Included in trade and other receivables is HK\$809.1 million (30 June 2015: HK\$90.7 million) which is expected to be recovered after one year.

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 2015 (Unaudited) HK\$'000	At 30 June 2015 (Audited) HK\$'000
Within 1 month	482,143	1,757,111
1 to 3 months	50,786	11,248
More than 3 months	11,121	6,605
	<u>544,050</u>	<u>1,774,964</u>

10. TRADE AND OTHER PAYABLES

	At 31 December 2015 (Unaudited) HK\$'000	At 30 June 2015 (Audited) HK\$'000
Trade creditors	574,143	889,532
Other payables and accrued operating expenses	5,009,492	5,406,753
Derivative financial instruments, at fair value	208,343	209,120
Amounts due to fellow subsidiaries	161,704	131,413
Amounts due to associates	248	380
	<u>5,953,930</u>	<u>6,637,198</u>

Included in trade and other payables is HK\$908.3 million (30 June 2015: HK\$943.4 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 2015 (Unaudited) HK\$'000	At 30 June 2015 (Audited) HK\$'000
Within 1 month	502,471	678,567
1 to 3 months	21,607	74,707
More than 3 months	50,065	136,258
	<u>574,143</u>	<u>889,532</u>

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

11. HONG KONG DOLLAR AMOUNTS

The consolidated financial statements of the Group are expressed in the United States dollars ("USD"), which are the functional currency of the Company. The Hong Kong dollar ("HKD") figures presented in the sections entitled "FINANCIAL HIGHLIGHTS" and "RESULTS" above are the HKD equivalents of the corresponding USD figures in the consolidated financial statements, which are translated at the rates ruling at the respective financial year ends for presentation purposes only (31 December 2015: US\$1 = HK\$7.7500, 30 June 2015: US\$1 = HK\$7.75205, 31 December 2014: US\$1 = HK\$7.7553).

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK\$1.00 per share amounting to approximately HK\$329 million (2014/2015 interim dividend: HK\$1.00 per share amounting to approximately HK\$329 million) for the financial year ending 30 June 2016 which will be payable on Wednesday, 23 March 2016 to the shareholders whose names appear on the Register of Members on Tuesday, 15 March 2016.

REVIEW OF OPERATIONS

Financial Results

The unaudited consolidated profit attributable to equity shareholders for the six months ended 31 December 2015, after taxation and non-controlling interests, amounted to HK\$2,529 million, as compared to HK\$1,620 million for the previous corresponding period, up 56% year-on-year. Basic earnings per share amounted to HK\$7.78.

For the six months ended 31 December 2015, pre tax results were generated from the following sources:

- property development and investment of HK\$4,200 million;
- hospitality and leisure of HK\$982 million;
- financial services of HK\$300 million;
- oil and gas royalty of HK\$81 million; and
- a net loss of HK\$192 million from principal investment.

Revenue increased by 12% to HK\$9.8 billion. The increase was mainly derived from the property development and investment sector of HK\$1.2 billion.

Principal Investment

The six months to December 2015 was another eventful period for financial markets. A turbulent correction in Chinese A-shares, continued downturn in commodity prices, a long-awaited rate hike by the Fed and additional stimulus by the ECB all impacted investors' sentiment and market performance. Equities experienced big swings in prices with major stock indices recording declines during the period. Our investment portfolio recorded mark-to-market losses for the period.

Amidst the volatile condition of the money market, our treasury team was able to seize the opportunities to harvest foreign exchange trading gains and lessen the impact on interest expenses.

Property Development and Investment

GuocoLand Limited (“GuocoLand”)

GuocoLand ended its half year with a profit attributable to equity holders of S\$589.5 million, an increase of S\$520.0 million as compared to the previous corresponding period. The increase in profit was primarily due to a gain from disposal of the subsidiaries relating to the Dongzhimen project during the period.

Revenue for the half year ended 31 December 2015 increased by 17% to S\$679.3 million, largely driven by better performance by Singapore and China as well as revenue recognised from DC Residency in Malaysia during the period.

Administrative expenses decreased for the half year ended 31 December 2015 mainly as a result of lower professional fees for GuocoLand’s operations in China.

According to flash estimates released by the Singapore Urban Redevelopment Authority, overall private residential properties prices index has fallen by 3.7% for the whole of 2015 following the 4% drop in 2014. This suggests that market sentiment in Singapore remains subdued. In China, new home prices rose in 39 of 70 cities surveyed by the National Statistics Bureau in December 2015. Residential property demand in China has been supported by relaxation of property cooling measures by the government and lowering of interest rates. In Malaysia, the property market outlook and sentiment continue to be cautious amid uncertain economic environment.

With a volatile global economic environment, GuocoLand foresees a challenging year ahead. It will continue to focus on sales and leasing of its current projects while being watchful for investment opportunities.

Hospitality and Leisure

GL Limited (“GL”, formerly known as GuocoLeisure Limited)

GL recorded a profit after tax of US\$51.2 million for the half year ended 31 December 2015, an increase of 64% as compared to US\$31.2 million for the previous corresponding period.

Revenue stood at US\$229.8 million which was 1% below that of the previous corresponding period, principally due to lower Bass Strait oil and gas royalty income. Lower average crude oil price and decline of oil production have negatively impacted the royalty income during the period. Apart from this, the weakening of AUD/USD also affected the overall royalty earnings. However, this was offset by higher revenue generated by gaming and property development segments as a result of improved gaming drops and win margin and land disposal respectively.

Hotel revenue was lower compared to previous corresponding period mainly due to the weakening of GBP/USD exchange rate despite improved RevPAR during the half year.

Cost of sales decreased by 4% compared to the previous corresponding period. This was resulted primarily from the weakening of GBP/USD, but was partially offset by higher gaming duty in tandem with the increase in gaming revenue during the half year.

Administrative expenses also decreased by 3% for the half year ended 31 December 2015. This was generally attributable to the weakening of GBP/USD as well as reflecting the overall cost disciplines of GL.

Financing costs fell by 60% for the half year ended 31 December 2015 primarily due to savings in interest costs resulting from the refinancing of mortgage debentures with a term loan in December 2014 at the hotel segment.

GL continues its portfolio rebranding with successful launch of Amba Hotel Marble Arch in November 2015. GL expects to launch the second hotel under its every Hotel brand, the every Hotel Bloomsbury Park, in mid 2016. Following on from the announcement of Thistle Express, GL has started work on the design aspects of this budget sector offering with intention to be on site in the next six months.

Recent events in Paris have dampened the performance of the London hotel market. GL maintains a cautious outlook as such events could negatively impact discretionary travel in the coming quarters. Furthermore, a weakening GBP continues to weigh down on revenue growth in USD terms.

In the global oil market, oil prices have continued their downward spiral. This significant decline, coupled with a weaker AUD, have adversely affected GL's oil and gas royalty revenues. Oil and gas prices are not expected to recover in the coming year.

The Rank Group Plc (“Rank”)

Rank registered an increase of 17% in its profit after taxation (before exceptional items and discontinued operations) for the half year ended 31 December 2015 to GBP31.6 million.

Revenue from continuing operations grew by 3% to GBP374.2 million, with a strong 14% growth in digital revenue being offset by lower revenue from Mecca Bingo venues (following the closure of a number of underperforming venues) and adverse exchange rates impacting euro denominated income in Spain and Belgium.

Operating profit before exceptional items of GBP40.4 million was down by GBP0.4 million compared to the previous corresponding period, following an additional GBP4.8 million cost arising from the new 15% remote gaming duty levied on all UK digital income effective from 1 December 2014. On a comparable basis, operating profit rose by 11%.

The Grosvenor Casinos brand increased operating profit by 7% to GBP33.3 million, with its digital channel increasing its profit by 26% despite increased remote gaming duty of GBP1.5 million. Mecca's profits fell by 13% to GBP19.9 million following a GBP3.3 million increase in remote gaming duty, with venues revenue marginally down versus the previous corresponding period.

Net financing charges fell by 37% following the reduction in debt levels and the negotiation of replacement bank facilities.

Exceptional items and discontinued operations credit totalling GBP10.0 million mainly comprised a GBP6.0 million credit following the sale of a freehold and a GBP3.7 million tax refund following the successful settlement of a transfer pricing dispute relating to a disposed business.

Rank will see in 2016 delivery of significant new platforms, new functionality and new products, all of which are expected to drive improvement across all parts of its business.

Financial Services

Hong Leong Financial Group Berhad (“HLFG”)

HLFG will publish its results for the interim period ended 31 December 2015 subsequent to the Company’s interim results announcement. The consolidated results of HLFG based on their unaudited management accounts have been incorporated in the Group’s interim results.

GROUP FINANCIAL COMMENTARY

Capital Management

- The Group’s consolidated total equity attributable to equity shareholders of the Company as at 31 December 2015 amounted to HK\$55.4 billion, a decrease of 5% compared to the total equity as at 30 June 2015.
- The equity-debt ratio as at 31 December 2015 is arrived at as follows:

	HK\$'M
Total borrowings	36,546
Less: Cash and short term funds	(25,239)
Trading financial assets	<u>(9,595)</u>
Net debt	<u>1,712</u>
Total equity attributable to equity shareholders of the Company	<u>55,431</u>
Equity-debt ratio	<u>97 : 3</u>

- The Group’s total cash balance and marketable securities were mainly in USD 41%, RMB 12%, GBP 11%, HKD 10%, JPY 9% and SGD 7%.

Total Borrowings

The decrease in total borrowings from HK\$44.1 billion as at 30 June 2015 to HK\$36.5 billion as at 31 December 2015 was primarily due to the repayment of loans. The Group’s total borrowings are mainly denominated in SGD 57%, USD 17%, GBP 10% and MYR 6%.

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

	Bank loans	Mortgage debenture stock	Other borrowings	Total
	HK\$'M	HK\$'M	HK\$'M	HK\$'M
Within 1 year or on demand	2,170	-	2,531	4,701
After 1 year but within 2 years	14,231	-	5,959	20,190
After 2 years but within 5 years	8,250	-	2,188	10,438
After 5 years	507	664	46	1,217
	22,988	664	8,193	31,845
	25,158	664	10,724	36,546

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\$33.9 billion.

Committed borrowing facilities available to Group companies and not yet drawn as at 31 December 2015 amounted to approximately HK\$9.5 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 2015, approximately 66% of the Group's borrowings were at floating rates and the remaining 34% were at fixed rates. The Group had outstanding interest rate swaps with notional amount of HK\$1.8 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 2015, there were outstanding foreign exchange contracts with a total notional amount of HK\$27.6 billion for hedging of foreign currency equity and bond investments.

Equity Price Exposure

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

Contingent Liabilities

Rank

(i) Property leases

Concurrent to the GBP211 million (approximately HK\$2,425.8 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, 11 of these have not expired or been surrendered. These 11 leases have durations of between 11 months and 97.5 years and a current annual rental obligation (net of sub-let income) of approximately GBP1.1 million (approximately HK\$12.4 million).

During a 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.

(ii) Stamp duty

Rank has received a determination from HM Revenue & Customs ("HMRC") in respect of the amount of stamp duty payable on certain transactions undertaken by Gala Casino 1 Limited (now Grosvenor Casinos (GC) Limited) before its acquisition by Rank on 12 May 2013. The maximum potential additional stamp duty that could be due if HMRC are successful is GBP7.2 million (approximately HK\$82.9 million) plus interest. Under the terms of the Sale and Purchase Agreement any liability arising falls upon Gala Coral and Rank has an indemnification from Gala Coral.

OUTLOOK

Equity market turbulence during the initial weeks of 2016 served as a timely reminder of a challenging macro outlook faced by investors this year. The Fed is expected to embark on its tightening path while other major central banks will stay with their dovish bias. This policy divergence may cause ongoing unease and rising market fluctuations. At the same time, concerns over China may continue to prevail although we believe the Chinese authorities have the tools and commitment to support growth and the financial system if necessary. We expect market conditions to remain volatile.

Given a tougher operating environment in 2016, our core businesses will continue to focus on execution of their business plans and strategies.

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

Neither the Company, nor any of its other subsidiaries, purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2015.

CODE ON CORPORATE GOVERNANCE PRACTICES

The board of directors (the “Board”) of the Company 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 “Stock Exchange”).

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.

REVIEW BY BOARD AUDIT COMMITTEE

The unaudited interim results for the six months ended 31 December 2015 have been reviewed by the Board Audit Committee of the Company. The information in these interim results does not constitute statutory accounts.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed on Tuesday, 15 March 2016, on which date no share transfers will be registered.

To qualify for the interim dividend, all share transfers, accompanied by the relevant share certificates, must be lodged with the Company’s Branch Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 14 March 2016.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 19 February 2016

As at the date of this announcement, the Board comprises Mr. Quek Leng Chan as Chairman; Mr. Kwek Leng Hai as President, CEO; Mr Kwek Leng San and Mr. Tan Lim Heng as non-executive directors; and Mr. Volker Stoeckel, Mr. Roderic N. A. Sage and Mr. David Michael Norman as independent non-executive directors.