Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

國浩集團有限公司
Guoco Group Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 53)

Announcement of Interim Results for the Six Months Ended 31 December 2009

FINANCIAL HIGHLIGHTS

	Six months ended 31 December		
	2009	2008	*Increase/*
	HK$'M	HK$'M	*(Decrease)*
Turnover	**6,245**	8,973	*(30%)*
Revenue	**3,383**	4,499	*(25%)*
Profit/(loss) from operations before finance cost	**1,391**	(2,385)	*N/A*
Profit/(loss) attributable to shareholders of the Company	**1,063**	(2,505)	*N/A*
	HK$	HK$	
Earnings/(loss) per share	**3.27**	(7.71)	*N/A*
Dividend per share	**0.80**	0.50	*60%*
	As at		
	31 December	30 June	
	2009	2009	
	HK$	HK$	
Equity per share attributable to shareholders of the Company	**126.45**	120.63	*5%*

RESULTS

The unaudited consolidated results of Guoco Group Limited (the "Company") and its subsidiaries (the Group") for the six months ended 31 December 2009 together with comparative figures for the corresponding period last year are as follows:

CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2009 - Unaudited

	Note	**2009** HK$'000	2008 HK$'000
Turnover	2 & 3	**6,245,268**	8,972,605
Revenue	2 & 3	**3,382,627**	4,499,474
Cost of sales		**(1,807,609)**	(2,996,510)
Other attributable costs		**(77,936)**	(80,685)
		1,497,082	1,422,279
Other revenue		**228,039**	233,266
Other net income/(losses)	4	**604,684**	(3,334,982)
Administrative and other operating expenses		**(938,454)**	(705,889)
Profit/(loss) from operations before finance cost		**1,391,351**	(2,385,326)
Finance cost	2(b) & 5(a)	**(251,342)**	(251,780)
Profit/(loss) from operations	2	**1,140,009**	(2,637,106)
Share of profits of associates	5(c)	**200,967**	211,543
Share of profits less losses of jointly controlled entities	5(c)	**11,663**	9,083
Profit/(loss) for the period before taxation	2 & 5	**1,352,639**	(2,416,480)
Taxation	6	**(135,485)**	(15,678)
Profit/(loss) for the period		**1,217,154**	(2,432,158)
Attributable to :			
Shareholders of the Company		**1,063,158**	(2,504,558)
Non-controlling interests		**153,996**	72,400
Profit/(loss) for the period		**1,217,154**	(2,432,158)
Earnings/(loss) per share		**HK$**	HK$
Basic	8	**3.27**	(7.71)
Diluted	8	**3.27**	(7.71)
		HK$'000	HK$'000
Interim dividend	7	**263,241**	164,526

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2009 - Unaudited

	2009	2008
	HK$'000	HK$'000
Profit/(loss) for the period	**1,217,154**	(2,432,158)
Other comprehensive income		
Exchange differences on translation of the financial statements of foreign subsidiaries, associates and jointly controlled entities	**(18,899)**	(2,483,944)
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	**(24,001)**	84,203
Changes in fair value of available-for-sale financial assets	**1,253,223**	(617,849)
Transfer to profit or loss on disposal of available-for-sale financial assets	**-**	(5,007)
Valuation released upon disposal of properties	**-**	(7,184)
Share of other comprehensive income of subsidiaries and associates	**3,707**	1,433
Other comprehensive income/(loss) for the period, net of tax	**1,214,030**	(3,028,348)
Total comprehensive income/(loss) for the period	**2,431,184**	(5,460,506)
Total comprehensive income attributable to:		
Shareholders of the Company	**2,287,967**	(4,449,742)
Non-controlling interests	**143,217**	(1,010,764)
	2,431,184	(5,460,506)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	Note	**At 31 December 2009 (Unaudited) HK$'000**	At 30 June 2009 (Audited) HK$'000
NON-CURRENT ASSETS			
Fixed assets			
- Investment properties		**2,533,122**	2,170,470
- Other property, plant and equipment		**9,873,855**	10,491,985
Interest in associates		**3,211,826**	2,999,909
Interest in jointly controlled entities		**802,798**	768,523
Available-for-sale financial assets		**6,190,836**	3,366,302
Deferred tax assets		**23,745**	23,832
Intangible assets		**1,303,606**	1,249,192
Goodwill		**263,944**	262,752
		24,203,732	21,332,965
CURRENT ASSETS			
Development properties		**21,693,503**	22,946,690
Properties held for sale		**1,929,445**	2,034,921
Trade and other receivables	9	**2,936,265**	1,942,679
Trading financial assets		**12,086,888**	2,788,982
Cash and short term funds		**12,595,047**	22,818,170
		51,241,148	52,531,442
CURRENT LIABILITIES			
Trade and other payables	10	**5,587,811**	5,446,848
Current portion of bank loans and other borrowings		**7,231,971**	5,738,097
Taxation		**358,639**	217,344
Provisions and other liabilities		**9,399**	12,571
		13,187,820	11,414,860
NET CURRENT ASSETS		**38,053,328**	41,116,582
TOTAL ASSETS LESS CURRENT LIABILITIES		**62,257,060**	62,449,547
NON-CURRENT LIABILITIES			
Non-current portion of bank loans and other borrowings		**11,720,936**	13,776,787
Provisions and other liabilities		**69,010**	83,314
Deferred tax liabilities		**792,367**	819,736
		12,582,313	14,679,837
NET ASSETS		**49,674,747**	47,769,710
CAPITAL AND RESERVES			
Share capital		**1,275,874**	1,275,093
Reserves		**40,332,332**	38,416,944
Equity attributable to shareholders of the Company		**41,608,206**	39,692,037
Non-controlling interests		**8,066,541**	8,077,673
TOTAL EQUITY		**49,674,747**	47,769,710

Notes:

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

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

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

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

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

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

- HKFRS 8, Operating Segments

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

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

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

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

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

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

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

(ii) Accounting for acquisition of non-controlling interests

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

- Amendments to HKFRS 3 (Revised) - Business Combinations

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

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

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

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

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

(c) The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The Group is in the process of making an assessment of what the impact of these amendments, new standard and new interpretation is expected to be in the period of initial application.

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

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

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

2. SEGMENT REPORTING

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

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

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

2. SEGMENT REPORTING (cont'd)

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

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

Segment results

	Principal investment HK$'000	Property development and investment HK$'000	Hospitality and leisure business HK$'000	Securities, commodities and brokerage HK$'000	Oil and gas HK$'000	Financial services HK$'000	Total HK$'000
For the six months ended 31 December 2009							
Turnover	**3,052,247**	**1,783,771**	**1,369,367**	**39,883**	**-**	**-**	**6,245,268**
Revenue from external customers	**189,606**	**1,783,771**	**1,369,367**	**39,883**	**-**	**-**	**3,382,627**
Inter-segment revenue	**10,709**	**3,877**	**-**	**1,838**	**-**	**-**	**16,424**
Reportable segment revenue	**200,315**	**1,787,648**	**1,369,367**	**41,721**	**-**	**-**	**3,399,051**
Segment results	**613,812**	**467,199**	**171,436**	**12,051**	**135,237**	**-**	**1,399,735**
Finance cost	**(1,458)**	**(101,139)**	**(156,493)**	**(636)**	**-**	**-**	**(259,726)**
Share of profits of associates	**19,356**	**8,639**	**-**	**-**	**-**	**172,972**	**200,967**
Share of profits less losses of jointly controlled entities	**-**	**11,663**	**-**	**-**	**-**	**-**	**11,663**
Profit before taxation	**631,710**	**386,362**	**14,943**	**11,415**	**135,237**	**172,972**	**1,352,639**
For the six months ended 31 December 2008							
Turnover	4,913,925	2,498,839	1,534,444	25,397	-	-	8,972,605
Revenue from external customers	440,794	2,498,839	1,534,444	25,397	-	-	4,499,474
Inter-segment revenue	178	3,999	-	2,317	-	-	6,494
Reportable segment revenue	440,972	2,502,838	1,534,444	27,714	-	-	4,505,968
Segment results	(3,111,465)	171,940	394,542	3,534	156,301	-	(2,385,148)
Finance cost	(767)	(80,863)	(170,127)	(201)	-	-	(251,958)
Share of profits of associates	11,672	24,358	-	-	-	175,513	211,543
Share of profits less losses of jointly controlled entities	-	9,083	-	-	-	-	9,083
Profit/(loss) before taxation	(3,100,560)	124,518	224,415	3,333	156,301	175,513	(2,416,480)

2. SEGMENT REPORTING (cont'd)

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

Revenue

	Six months ended 31 December	
	2009	2008
	HK$'000	HK$'000
Reportable segment revenue	**3,399,051**	4,505,968
Elimination of inter-segment revenue	**(16,424)**	(6,494)
Consolidated revenue	**3,382,627**	4,499,474

Finance cost

	Six months ended 31 December	
	2009	2008
	HK$'000	HK$'000
Reportable finance cost	**(259,726)**	(251,958)
Elimination of inter-segment finance cost	**8,384**	178
Consolidated finance cost	**(251,342)**	(251,780)

2. SEGMENT REPORTING (cont'd)

(c) Geographical information (unaudited)

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

	Revenue from external customers			Profit/(loss) from operations	
	Six months ended 31 December			Six months ended 31 December	
	2009	2008		**2009**	2008
	HK$'000	HK$'000		**HK$'000**	HK$'000
The People's Republic of China ("PRC")					
Hong Kong	**233,529**	396,620		**626,437**	(2,893,537)
Mainland China	**1,392,593**	132,299	**Note**	**325,487**	5,495
United Kingdom	**1,297,278**	1,486,905		**47,196**	109,383
Singapore	**255,926**	2,333,371	**Note**	**38,619**	37,828
Australasia and others	**203,301**	150,279	**Note**	**102,270**	103,725
	3,382,627	4,499,474		**1,140,009**	(2,637,106)

Note:

In accordance with applicable Hong Kong Financial Reporting Standards, at Group level we have recognised revenue arising from the pre-sale of properties upon completion of development projects instead of using the percentage of completion method adopted by GuocoLand Limited ("GLL") as permitted under the relevant Singapore Accounting Standards. Accordingly, operating profits of GLL for the period amounting to HK$nil (2008: HK$171.3 million) and HK$355.2 million (2008: HK$34.1 million) in Singapore and Mainland China & other regions respectively have been deferred for recognition in the Group accounts. The Group has recognised operating profits of GLL which have been deferred in previous years amounting to HK$nil (2008: HK$97.6 million) and HK$107.8 million (2008: HK$1.6 million) in Singapore and Mainland China & other regions respectively for those development projects completed during the period. Up to 31 December 2009, accumulated operating profits of GLL totalling HK$39.5 million (2008: HK$381.3 million) in Singapore and HK$388.5 million (2008: HK$56.6 million) in Mainland China & other regions have been deferred for recognition, which will be recognised by the Group upon completion of the relevant development projects in subsequent years.

3. TURNOVER AND REVENUE

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

	Six months ended 31 December	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Revenue from sale of properties	**1,691,542**	2,421,611
Revenue from hotel and gaming operations	**1,336,432**	1,534,444
Interest income	**154,632**	387,025
Dividend income from listed securities	**84,256**	51,049
Rental income from properties	**71,337**	77,089
Securities commission and brokerage	**33,346**	18,228
Others	**11,082**	10,028
Revenue	**3,382,627**	4,499,474
Proceeds from sale of investments in securities	**2,862,641**	4,473,131
Turnover	**6,245,268**	8,972,605

4. OTHER NET INCOME / (LOSSES)

	Six months ended 31 December	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Net realised and unrealised gains/(losses) on trading financial assets	**82,566**	(1,019,909)
Net realised and unrealised gains/(losses) on derivative financial instruments	**38,247**	(406,547)
Net realised gains on disposal of available-for-sale financial assets	**-**	6,719
Net exchange gains/(losses) on foreign exchange contracts	**6,731**	(49,111)
Other exchange gains/(losses)	**452,689**	(1,889,632)
Net profits/(losses) on disposal of fixed assets	**814**	(225)
Other income	**23,637**	23,723
	604,684	(3,334,982)

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

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

(a) Finance cost

	Six months ended 31 December	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest on bank advances and other borrowings wholly repayable within five years	**261,579**	295,234
Other borrowing costs	**151,405**	157,006
Total borrowing costs	**412,984**	452,240
Less: borrowing costs capitalised into development properties (Note)	**(161,642)**	(200,460)
	251,342	251,780

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

(b) Staff cost

	Six months ended 31 December	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Salaries, wages and other benefits	**498,234**	530,693
Retirement scheme contributions	**18,945**	22,227
	517,179	552,920

(c) Other items

	Six months ended 31 December	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Depreciation	**111,902**	101,447
Amortisation of Bass Strait oil and gas royalty	**25,839**	22,669
Operating lease charges		
- properties	**16,099**	17,724
- others	**6,941**	9,563
Auditors' remuneration	**5,079**	5,371
Donations	**682**	1,031
Recognition of negative goodwill on acquisition of additional interests in subsidiaries	**-**	(156,719)
Gross rental income from investment properties	**(71,337)**	(77,089)
Less: direct outgoings	**16,394**	17,352
Net rental income	**(54,943)**	(59,737)
Share of profits of associates:		
- listed	**(201,494)**	(210,652)
- unlisted	**527**	(891)
	(200,967)	(211,543)
Share of profits less losses of jointly controlled entities:		
- unlisted	**(11,663)**	(9,083)

6. TAXATION

Tax expenses in the consolidated income statement represent:

	Six months ended 31 December	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Hong Kong Profits Tax	**(1,489)**	15
Overseas taxation	**(145,458)**	(2,581)
Deferred taxation	**11,462**	(13,112)
	(135,485)	(15,678)

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

7. DIVIDENDS

	Six months ended 31 December	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Year 2008/2009:		
Final dividend paid of HK$1.50 per ordinary share (Year 2007/2008: HK$3.00 per ordinary share)	**487,842**	974,517
Year 2009/2010:		
Interim dividend declared of HK$0.80 per ordinary share (Year 2008/2009: HK$0.50 per ordinary share)	**263,241**	164,526

The interim dividend declared for the year ending 30 June 2010 of HK$263,241,000 (2009: HK$164,526,000) is calculated based on 329,051,373 ordinary shares (2008: 329,051,373 ordinary shares) in issue as at 31 December 2009.

8. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company of HK$1,063,158,000 (2008: loss of HK$2,504,558,000) and the weighted average number of 325,024,511 ordinary shares (2008: 325,024,511 ordinary shares) in issue during the period.

(b) Diluted earnings/(loss) per share

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

9. TRADE AND OTHER RECEIVABLES

	At 31 December 2009 (Unaudited) HK$'000	At 30 June 2009 (Audited) HK$'000
Trade debtors	**2,333,915**	1,190,857
Deposits and prepayments	**538,651**	739,236
Derivative financial instruments, at fair value	**55,587**	6,192
Interest receivables	**8,112**	6,394
	2,936,265	1,942,679

Included in trade and other receivables are amounts of HK$29.5 million (30 June 2009: HK$62.8 million) which are expected to be recovered after more than one year.

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

	At 31 December 2009 (Unaudited) HK$'000	At 30 June 2009 (Audited) HK$'000
Current	**501,537**	754,286
1 to 3 months	**1,687,021**	256,699
More than 3 months	**145,357**	179,872
	2,333,915	1,190,857

10. TRADE AND OTHER PAYABLES

	At 31 December 2009 (Unaudited) HK$'000	At 30 June 2009 (Audited) HK$'000
Trade creditors	**670,950**	692,797
Other payables and accrued operating expenses	**4,816,598**	4,679,836
Derivative financial instruments, at fair value	**39,333**	41,905
Amounts due to fellow subsidiaries	**58,479**	29,807
Amounts due to associates	**264**	248
Amounts due to jointly controlled entities	**2,187**	2,255
	5,587,811	5,446,848

Included in trade and other payables are amounts of HK$329.6 million (30 June 2009: HK$306.1 million) which are expected to be settled after more than one year.

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

	At 31 December 2009 (Unaudited) HK$'000	At 30 June 2009 (Audited) HK$'000
Due within 1 month or on demand	**235,569**	532,618
Due after 1 month but within 3 months	**328,100**	114,151
Due after 3 months	**107,281**	46,028
	670,950	692,797

The amounts due to fellow subsidiaries, associates and jointly controlled entities 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, which is the functional currency of the Company. The accounting figures presented in the sections entitled “FINANCIAL HIGHLIGHTS” and “RESULTS” above have been translated from United States dollars into Hong Kong dollar equivalent at the rates ruling at the respective financial period ends for presentation purpose only (31 December 2009: US$1 = HK$7.75485, 30 June 2009: US$1 = HK$7.7501, 31 December 2008: US$1 = HK$7.74995).

12. REVIEW BY BOARD AUDIT COMMITTEE

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

13. COMPARATIVE FIGURES

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

INTERIM DIVIDEND

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

REVIEW OF OPERATIONS

Financial Results

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

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

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

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

Principal Investment

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

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

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

Property Development and Investment

GuocoLand Limited ("GLL") – 65.2% controlled by Guoco

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

The higher profit was mainly due to the strong performance of property development projects in China, especially from Ascot Park in Nanjing and Changfeng project in Shanghai. Following the successful launch of Phase 1 in Ascot Park, GLL launched all remaining units and received an overwhelming response from buyers. The 1,112 unit development is fully sold. In Shanghai, GLL has sold about 70% of SOHO units in Changfeng project. GLL also sold an office block in this project for Rmb1 billion in November 2009. Both Phase 1 in Ascot Park and the SOHO units in Changfeng project were handed over to buyers in December 2009.

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

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

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

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

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

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

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

Hospitality and Leisure Business

GuocoLeisure Limited ("GL") – 56.4% controlled by Guoco

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

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

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

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

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

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

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

Financial Services

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

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

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

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

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

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

GROUP FINANCIAL COMMENTARY

Capital and Finance

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

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

__Total Cash and Liquid Funds__

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

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

__Total Borrowings__

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

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

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

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

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

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

__Interest Rate Exposure__

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

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

Foreign Currency Exposure

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

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

Equity Price Exposure

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

Contingent Liabilities

GL has given a guarantee to the owner of the 20 (30 June 2009: 20) hotel businesses sold in 2002 that the aggregate Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") of the business will not be less than HK$347 million (30 June 2009: HK$357 million) per calendar year (or pro-rata amount) thereafter until 4 April 2012. The maximum liability for any one year under the guarantee is HK$347 million (30 June 2009: HK$357 million) and the maximum aggregate liability under the guarantee is approximately HK$693 million (30 June 2009: HK$715 million).

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

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

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

(a) SDB

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

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

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

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

(b) ABC

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

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

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

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

(2) Hainan Co and CJDH

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

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

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

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

Current Developments

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

HUMAN RESOURCES AND TRAINING

The Group, including its subsidiaries in Hong Kong and overseas, employed approximately 3,000 employees as at 31 December 2009. The Group continued to follow a measured approach towards achieving an optimal and efficient size of its workforce and is committed to providing its staff with ongoing development programmes to enhance productivity and work quality.

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

OUTLOOK

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

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

During the period, the Company did not redeem any of its listed securities. Neither did the Company nor any of its other subsidiaries purchase or sell any of the Company's listed securities.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

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

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

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

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

Model Code for Securities Transactions by Directors

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

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

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

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

CLOSURE OF REGISTER OF MEMBERS

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

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

As at the date of this announcement, the board of directors of the Company comprises Mr Quek Leng Chan as Executive Chairman; Mr Kwek Leng Hai as President, CEO; Mr Tan Lim Heng and Mr Ding Wai Chuen as executive directors; Mr Kwek Leng San as non-executive director and Mr Sat Pal Khattar, Mr Volker Stoeckel and Mr Roderic N. A. Sage as independent non-executive directors.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 1 March 2010