2006/07

INTERIM REPORT

國浩集團有限公司
Guoco Group Limited
A Member of the Hong Leong Group Malaysia
(Stock Code: 53)

CONTENTS

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CORPORATE INFORMATION

Board of Directors

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

* *Non-executive director*
** *Independent non-executive director*

Board Audit Committee

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

Board Remuneration Committee

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

Qualified Accountant

Allan Tsang Cho Tai

Company Secretary

Stella Lo Sze Man

Place of Incorporation

Bermuda

Registered Office

Canon's Court, 22 Victoria Street
Hamilton HM 12, Bermuda

Principal Office

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Branch Share Registrars

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Financial Calendar

Interim results announcement	23 March 2007
Closure of Register of Members	10 April 2007 – 13 April 2007
Interim dividend of HK$1.00 per share payable on	16 April 2007

FINANCIAL RESULTS

The unaudited consolidated profit attributable to shareholders of the Company for the six months ended 31 December 2006 amounted to HK$1,593 million. Basic earnings per share were HK$4.90.

The major profit contributions (before finance cost and taxation) were:

– total realised and unrealised gains on investments of HK$742 million;

– total interest income of HK$695 million;

– total net exchange gain (including FX contracts) of HK$60 million;

– dividend income of HK$32 million;

– property development and investment income of HK$58 million;

– hospitality and leisure business of HK$252 million; and

– associates and jointly controlled entities of HK$188 million.

The Group's investment portfolio has been scaled down from HK$26.8 billion as at 31 December 2005 to HK$7.2 billion as at 31 December 2006 since the Group had adopted a more prudent approach amidst the rising market uncertainty and demanding valuations during the period. Net profit after tax attributable to shareholders of the Company decreased by HK$2,159 million or 57.5% compared to the previous corresponding period. This was substantially in line with the reduced risk profile adopted and conversely, our interest income increased by 124% from HK$310 million to HK$695 million mainly due to increases in both the weighted average deposit balance and deposit interest rates.

Overall turnover increased by HK$2.6 billion or 41% to HK$8.8 billion due mainly to the increase of HK$1.8 billion from proprietary asset management. The turnover for hotel and gaming operations also increased by HK$0.9 billion as the turnover for the six months ended 31 December 2005 only included the figures of BIL International Limited ("BIL") since the acquisition in October 2005.

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK$1.00 per share amounting to approximately HK$329.1 million (2005/2006 interim dividend: HK$1.00 per share amounting to approximately HK$329.1 million) for the financial year ending 30 June 2007 which will be payable on 16 April 2007 to the shareholders whose names appear on the Register of Members on 13 April 2007.

REVIEW OF OPERATIONS

Proprietary Asset Management

Despite increased evidence of a US housing market slowdown, global equity markets continued to perform strongly in the first six months of our financial year. Sentiment was supported by the combination of low-inflationary global growth, relative interest rate stability, an oil price correction and resilient corporate earnings growth. In addition, aggressive private equity buying led to record volume of buyout deals and repeatedly set new benchmarks for asset valuation. As a result, a number of global equity markets reached multi-year highs.

Against this backdrop, our investment team continued to focus on stock selection and search for appropriate investment opportunities in global markets. However, equity prices generally were at high levels with stretched valuations. As a value investor, it had become increasingly more challenging to find attractively priced investments in the past few months. As a result, we adopted a more defensive stance in managing the portfolio. We reduced the size of our investment that was trading oriented and spent more effort in identifying stocks with longer term growth potential that were reasonably valued.

REVIEW OF OPERATIONS (Cont'd)

Proprietary Asset Management (Cont'd)

In view of the under-performance of the Japan market in 2006 and our belief that ongoing restructuring in that country would support a sustainable upward re-rating in that market, we gradually increased our investment portfolio allocation in Japan. We also explored other Asian markets such as Korea and Taiwan, while our investments in Hong Kong and China were reduced following their stellar performance. In the United States and European market, our approach remained very stock specific and focused on stocks that offered low valuations but with good upside potential.

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

Following such strong market performance in the past six months, we believe the risk-reward trade-off for investment has become less attractive. The sell-off in late February 2007 illustrated the inherent volatility that markets could face in coming months. We do not think markets will go through a severe and sustained downturn but equity prices will tend to trade at high levels and sentiment could be vulnerable to bad news. The United States economy is still facing a number of structural issues that may have global implications. Equity prices are likely to remain volatile and we therefore will maintain a prudent stance while looking for investment opportunities in the current environment.

Property Development and Investment

GuocoLand Limited ("GLL") – 63.9% controlled by Guoco

For the half year ended 31 December 2006, the GLL Group reported a net profit of S$52.7 million, an increase of 21% compared to the previous corresponding period.

The GLL Group's revenue and cost of sales decreased by 16% and 12% respectively as compared to the previous corresponding period mainly due to lower revenue and cost of sales recognised for its property development projects in China offset by higher revenue and cost of sales recognised for its property development projects in Singapore.

The decrease in gross profit in the current financial period as compared to the previous corresponding period was due to a lower writeback of provision for development properties but was partially offset by profits recognised from the sale of units in Beijing West End Point.

Other operating income increased from S$23.8 million to S$48.6 million for the half year ended 31 December 2006, mainly due to the profit of S$19.3 million from the sale of the GLL Group's long-term investment in BIL and higher net foreign exchange gains of S$10.4 million.

Finance costs increased by 54% to S$14.3 million due to higher interest rates and an increase in bank borrowings to finance the GLL Group's land acquisitions.

The contribution from the GLL Group's associates and jointly-controlled entities to profit after tax increased by 61% to S$12.0 million mainly due to higher profit contribution from its 40% associate, Razgrad Pte Ltd (which owns The Ladyhill development).

In January 2007, the GLL Group completed the unwinding of an existing equity swap transaction that resulted in a net gain of S$10.3 million which was already recognised as a mark-to-market gain in the half year ended 31 December 2006.

REVIEW OF OPERATIONS (Cont'd)

Property Development and Investment (Cont'd)

GuocoLand Limited ("GLL") – 63.9% controlled by Guoco (Cont'd)

Singapore

The GLL Group currently has seven launched developments on the market in Singapore: Sanctuary Green, The Gardens at Bishan, Le Crescendo, The Stellar, The Quartz, The View @ Meyer and The Boulevard Residence.

In November 2006, the GLL Group completed the acquisition of Casa Rosita condominium at the Newton/ Scotts area, which has a saleable area of 46,000 square metres (494,000 square feet).

In December 2006, the GLL Group entered into a conditional collective sale and purchase agreement to acquire the freehold Sophia Court condominium located at Mount Sophia with intention to redevelop the site. This acquisition will upon completion, add a further saleable area of approximately 34,000 square metres (363,000 square feet) to enlarge the GLL Group's existing landbank in Singapore to approximately 158,000 square metres (1.7 million square feet).

The Singapore economy continues to grow at a healthy pace. Statistics released by the Ministry of Trade and Industry show that real GDP growth in 2006 was 7.9%. Economic growth in 2007, however, is expected to continue at a more moderate pace of between 4.5% and 6.5%. Statistics/Data released by the Urban Redevelopment Authority show that property prices had increased by 3.8% in the fourth quarter of 2006, compared with 2.7% increase in third quarter of 2006, and 10.2% year-on-year. Property price appreciation was largely attributed to the high-end segment in the prime districts. Buying interest is expected to filter down to the mid-market segment to support a more broad based recovery in the residential property market. The GLL Group will time its property launches appropriately and continue to replenish its landbank through acquisitions.

China

In China, 564 units in West End Point ("WEP") were launched since July 2006, of which 377 units were sold as at 13 February 2007. WEP is a 810-unit development located within the Second Ring Road in Feng Sheng, Xicheng District of Beijing.

Piling is in progress for the GLL Group's development site situated in the Qixia District of Nanjing whereas resettlement is in progress for two other development sites situated in the Xuanwu District of Nanjing and Putuo District of Shanghai. The GLL Group's landbank in China, in terms of saleable area, is approximately 938,000 square metres (10.1 million square feet).

A conditional cooperation framework was entered into by the GLL Group to acquire a controlling interest in Beijing Cheng Jian Dong Hua Real Estate Development Company Limited ("Beijing Cheng Jian Project Co"). Beijing Cheng Jian Project Co owns the land use and development rights to a land parcel of 106,000 square metres located along the main thoroughfare of Dongzhimen Road on the East Second Ring Road in the Dong Cheng District of Beijing City. This site is currently being developed into an integrated retail, hotel, office, residential and transportation terminal hub comprising a metro and bus interchange and an express rail link to the Beijing International Airport.

The proposed acquisition is subject, inter alia, to satisfactory due diligence and satisfaction of certain conditions precedent whereupon a share acquisition agreement is proposed to be entered into on terms and conditions to be settled between the parties.

REVIEW OF OPERATIONS (Cont'd)

Property Development and Investment (Cont'd)

GuocoLand Limited ("GLL") – 63.9% controlled by Guoco (Cont'd)

China (Cont'd)

The economy in China grew by an estimated 10.7% in 2006. The central government has set the economic growth target for 2007 at a more moderate growth of 8% despite expectations that the economy is likely to enjoy a fifth straight year of double-digit growth. As part of the government's measures to cool the property sector, it has recently announced the tightening of rules on the levy of land appreciation tax ("LAT") on property sales from 1 February 2007. The GLL Group has fully provided for LAT in accordance with the existing LAT regulations on all sold units in its projects in China. The GLL Group's outlook on China remains positive and it will continue to expand its presence in key cities.

Malaysia

The GLL Group's shareholding in GuocoLand (Malaysia) Berhad ("GLM") has increased to 64.98% as at 13 February 2007. In Malaysia, GLM currently has eight ongoing mixed residential development projects in the Klang Valley, located in the northern growth corridors of Rawang and Sungai Buloh and the southern growth corridors of Cheras and Sepang. GLM is currently developing an integrated commercial development project in Damansara Heights of approximately 207,000 square metres (2.2 million square feet), comprising luxury condominiums, office towers, a 5-star boutique hotel and a lifestyle retail mall. This flagship project, which is targeted to be launched in the fourth quarter of 2007, will be an iconic landmark in the Damansara Heights area.

Tower Real Estate Investment Trust ("Tower REIT"), of which GLM is the manager, entered into a conditional sale and purchase agreement on 16 October 2006, to acquire 78.33% of the net lettable area and 100% of the car park bays of Menara ING, a freehold 20-storey office building with a $3\frac{1}{2}$-storey office annex, located in Kuala Lumpur, for a total purchase consideration of RM75 million. This acquisition is in line with GLM's strategy to grow the assets of Tower REIT under its management so as to increase its recurring management income.

In Malaysia, the economic outlook for 2007 is positive. With inflation under control, competitive interest rates and the relaxation of purchasing rules in December 2006 for foreigners who previously had to get approval to buy investment properties above RM250,000, the GLL Group expects demand for quality housing to remain positive.

Vietnam

In Vietnam, design planning is in progress for the GLL Group's integrated development project located next to the Vietnam Singapore Industrial Park in Binh Duong Province, 17 kilometres north of Ho Chi Minh City. When completed, this site of approximately 174,935 square metres (1.9 million square feet) will have a development comprising more than 1,000 units of residential apartments, a 4-star business hotel, a retail mall, an office complex and a private educational institution.

Barring unforeseeable circumstances, the GLL Group expects to report satisfactory results for the financial year ending 30 June 2007.

Hospitality and Leisure Business

BIL International Limited ("BIL") – 53.8% controlled by Guoco

BIL recorded a profit before tax for the period ended 31 December 2006 of US$10.1 million compared to US$14.3 million in the previous period ended 31 December 2005. Profit after tax for the period under review decreased by US$22.2 million to US$8.5 million because in the half year to December 2005, BIL benefited from the reversal of US$17.8 million of tax provisions made in the previous financial year.

REVIEW OF OPERATIONS (Cont'd)

Hospitality and Leisure Business (Cont'd)

BIL International Limited ("BIL") – 53.8% controlled by Guoco (Cont'd)

The revenue increased by 25% compared with the corresponding period last year, contributed mainly by BIL's hotels segment, Thistle Hotels. Last year's result was adversely impacted by the July London bombings.

Occupancy and average room rate of Thistle Hotels' owned, leased or managed hotels have now both enjoyed growth as illustrated below:

	London		Provincial		Total	
Jul to Dec	**2006**	2005	**2006**	2005	**2006**	2005
Occupancy %	**81.1**	73.2	**73.9**	70.2	**78.0**	71.9
Average Room Rate (£)	**95.0**	82.1	**59.1**	57.9	**80.5**	72.3
RevPar (£)	**77.0**	60.1	**43.7**	40.7	**62.8**	52.0

Other operating income improved significantly from US$2.7 million in the half year ended 31 December 2005 to US$8.4 million in the half year ended 31 December 2006. Management fees earned by BIL's hotels segment have contributed to this improvement.

During this period, the BIL Group has continued to incur start-up costs in the gaming segment and completed the acquisition of the Clermont Club.

On 1 December 2006, a wholly-owned subsidiary of BIL has completed the acquisition of the Clermont Club casino business in Mayfair, London from Rank Group Plc for £31 million. The BIL Group's intention is to improve substantially the facilities and performance at this location and introduce the Clermont brand into other selected locations.

As at 31 December 2006, The Gambling Commission of Great Britain has granted a wholly-owned subsidiary of BIL a total of 25 Certificates of Consent under The Gaming Act 1968. As a result of these approvals, the subsidiary will work towards fulfilling all necessary regulatory requirements for each of these 25 casino locations.

The BIL Group has an entitlement to 55.11% of royalty receipts from the Bass Strait Royalty. In 1997, the entitlement to the royalties was monetised into 44 million units for a 10-year period held by the Bass Strait Oil Trust. The BIL Group currently owns 20 million units. As from April 2007, the monetisation will complete and all future royalty payments in respect of the 44 million units will belong to the BIL Group.

Camerlin Group Berhad ("CGB") – 68.9% controlled by Guoco

CGB recorded a profit before tax of RM6.6 million for the six months ended 31 December 2006. The profit was mainly due to its share of profits RM7.2 million from its 22.3% interests in BIL.

CGB announced on 16 February 2007 a proposed capital distribution of substantially all its interests in BIL ranging from 265,924,676 to 303,144,609 BIL shares, representing approximately 19.44% to 22.16% of the issued share capital of BIL, to its shareholders via a reduction of the share capital of CGB and by cancelling CGB's share premium reserve, which will result in the reduction of the par value of CGB's shares from RM1.00 to between RM0.13 and RM0.16.

REVIEW OF OPERATIONS (Cont'd)

Hospitality and Leisure Business (Cont'd)

Camerlin Group Berhad ("CGB") – 68.9% controlled by Guoco (Cont'd)

Currently, Guoco Group controls an aggregate of 59.30% interests in BIL via CGB and another wholly owned subsidiary as to 22.26% and 37.04% respectively, representing an effective interest in BIL of 52.31%. After completion of the proposed capital distribution, Guoco Group will hold a direct interest ranging from 50.27% to 52.31% in BIL.

Financial Services

Hong Leong Financial Group Berhad ("HLFG") – 25.7% owned by Guoco

The HLFG Group achieved a profit before tax of RM443.9 million in the half year ended 31 December 2006 as compared to RM353.5 million in the previous corresponding period, an increase of RM90.4 million or 25.6%. This healthy increase reflected well on the efforts of HLFG's operating subsidiaries.

The banking division recorded a profit before tax of RM410.8 million for the half year ended 31 December 2006 as compared to RM333.6 million in the previous corresponding period, an increase of RM77.2 million or 23.1%.

Top-line revenue of the banking division grew by 15.9% to RM858.5 million. Whilst the business performances were generally better all round, the increase in profit was driven by strong assets growth from mortgages (growth of 24%) and credit cards (growth of 51%), as well as higher income from the treasury business. However, the banking division's result was partially offset by more stringent Bank Negara requirements for provisioning made for non-performing loans. However, asset quality had continued to improve with net NPL ratio decreasing to 2.6% from 3.1% as at 30 June 2006 and 4.0% as at 31 December 2005.

The insurance division registered a profit before tax of RM34.2 million as compared to RM25.6 million in the previous corresponding period representing a 34% increase. This was mainly due to higher gross general direct premiums particularly from marine cargo and health insurance classes.

The stockbroking and asset management divisions registered a 47% increase in profit before tax of RM12.0 million for the six months ended 31 December 2006 compared to previous corresponding period. The increase was achieved with the higher Bursa Malaysia trading volumes.

Barring unforeseeable circumstances, HLFG is expected to perform satisfactorily for the current financial year.

FINANCIAL COMMENTARY

Capital and Finance

– The Group's consolidated total equity (including minority interests) as at 31 December 2006 amounted to HK$45.1 billion, an increase of 1.5% comparing to the total equity as at 30 June 2006.

– The Group's consolidated total equity attributable to shareholders of the Company as at 31 December 2006 amounted to HK$37.5 billion, an increase of 1.7% comparing to the figure as at 30 June 2006.

Total Cash and Liquid Funds

As at 31 December 2006, the Group has net liquid funds of HK$19.0 billion, comprising total cash balance of HK$23.4 billion, which is mainly denominated in US dollars, and marketable securities of HK$7.2 billion and after netting off the total borrowings of HK$11.6 billion.

The increase in total borrowings from HK$9.7 billion as at 30 June 2006 was mainly to finance the new gaming business as well as the acquisition of land, resettlement and development costs of property projects.

FINANCIAL COMMENTARY (Cont'd)

Total Borrowings

The Group's total borrowings are mainly denominated in Pound Sterling (41.2%), Singapore dollar (40.9%) and US dollar (13.7%).

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
On demand or within 1 year	1,493	–	499	1,992
After 1 year but within 2 years	951	–	507	1,458
After 2 years but within 5 years	3,237	–	786	4,023
After 5 years	17	4,105	–	4,122
	4,205	4,105	1,293	9,603
	5,698	4,105	1,792	11,595

The loans are secured by the following:

– legal mortgages on investment properties with an aggregate book value of HK$82 million;

– legal mortgages on development properties with an aggregate book value of HK$6,104 million; and

– legal mortgages on property, plant and equipment with an aggregate book value of HK$7,969 million.

Committed borrowing facilities available to Group companies and not yet drawn as at 31 December 2006 amounted to approximately HK$2,151 million.

Interest Rate Exposure

As at 31 December 2006, approximately 42% of the Group's borrowings were at floating rates and the remaining 58% were at fixed rates. The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. When considered appropriate, the Group may use interest rate swap contracts to manage the interest rate exposure.

Foreign Currency Exposure

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

Contingent Liabilities

A subsidiary of the Group, BIL, had contingent liabilities of approximately HK$74 million in relation to the guarantees of investment performance. In addition, BIL has given a guarantee to the owner of the 28 hotel businesses sold in 2002 that the aggregate Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of the business will not be less than HK$498 million per calendar year (or pro-rata amount) thereafter until 4 April 2012. The maximum liability on any one year under the guarantee was HK$498 million and the maximum aggregate liability under the guarantee was approximately HK$997 million. BIL's expectation is that the future annual EBITDA will be in excess of the guaranteed amount.

HUMAN RESOURCES AND TRAINING

The Group, including its subsidiaries in Hong Kong and overseas, employed approximately 3,000 employees as at 31 December 2006. 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

Although economic environment driven by strong trading momentum and abundant liquidity remains encouraging, recent corrections showed that markets are vulnerable and susceptible to bad news and are likely to be more volatile. The implications from the moderating growth expectations and the structural issues in the US further added uncertainty to the global markets. Bearing in mind that the performance of our proprietary asset management business is subject to the mark-to-market accounting standards and the inherent volatility in the market conditions, it would be a challenge to sustain the same performance achieved last year. Given the increasing market risk and uncertainty, we will continue to adopt a judicious stance to manage our investment activities to optimise returns balanced against the risk exposure.

Our other three core businesses, properties development and investment, hospitality and leisure business, and financial services, are progressing satisfactorily. Barring unforeseeable circumstances, we expect to see growth in their contributions to Guoco's overall performance and create sustainable long-term value.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

During the period, the Company had complied with the relevant provisions set out in the Code on Corporate Governance Practices (the "CGP Code") based on the principles set out in Appendix 14 to the Listing Rules, save the following:

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

– pursuant to the Bye-Laws of the Company, the directors of the Company (save those holding the office as Chairman, President or Managing Director) are subject to retirement by rotation. According to the Private Act of the Company enacted in 1990 (the "Act"), directors holding the office of executive chairman or managing director shall not be subject to retirement by rotation. As the Company is bound by the provisions of the Act, the Bye-Laws of the Company cannot be amended to align with the relevant provision of the CGP Code in this respect. However, in order for the Company to comply with the CGP Code, the Executive Chairman and the President of the Company have confirmed that they are willing to be subject to the retirement by rotation provisions as set out in the Bye-Laws of the Company.

CORPORATE GOVERNANCE (Cont'd)

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.

Based on specific enquiries made to all directors of the Company, they confirmed that they have complied with the required standard set out in the Model Code for the period.

Board Audit Committee (the "BAC")

The BAC currently comprises Messrs Sat Pal Khattar (Chairman), Volker Stoeckel and Ding Wai Chuen, all being independent non-executive directors of the Company. The BAC has reviewed with the management the accounting principles and practices adopted by the Company and discussed the auditing, internal controls and financial reporting matters including a review of the unaudited interim results of the Company for the six months ended 31 December 2006.

Board Remuneration Committee (the "BRC")

The BRC currently comprises Messrs Quek Leng Chan (Chairman), Volker Stoeckel and Ding Wai Chuen, the latter two are independent non-executive directors of the Company.

CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2006 – Unaudited

	Note	**2006 US$'000**	2005 US$'000	**2006 HK$'000**	2005 HK$'000
Turnover	2 & 3	**1,125,235**	797,746	**8,750,109**	6,185,882
Cost of sales		**(844,152)**	(648,254)	**(6,564,337)**	(5,026,691)
Other attributable costs		**(15,143)**	(4,062)	**(117,756)**	(31,498)
		265,940	145,430	**2,068,016**	1,127,693
Other revenue	4(a)	**18,794**	8,109	**146,147**	62,878
Other net income	4(b)	**49,930**	376,229	**388,268**	2,917,355
Administrative and other operating expenses		**(116,608)**	(62,100)	**(906,773)**	(481,536)
Profit from operations before finance cost	2	**218,056**	467,668	**1,695,658**	3,626,390
Finance cost	5(a)	**(33,931)**	(17,641)	**(263,856)**	(136,792)
Profit from operations	2	**184,125**	450,027	**1,431,802**	3,489,598
Impairment loss written back on properties		**6,364**	13,895	**49,488**	107,745
Share of profits less losses of associates	5(c)	**23,525**	32,512	**182,937**	252,106
Share of profits less losses of jointly controlled entities	5(c)	**679**	20,675	**5,280**	160,319
Profit for the period before taxation	5	**214,693**	517,109	**1,669,507**	4,009,768
Taxation	6	**1,299**	(10,820)	**10,101**	(83,900)
Profit for the period		**215,992**	506,289	**1,679,608**	3,925,868
Attributable to:					
Shareholders of the Company		**204,840**	483,888	**1,592,887**	3,752,166
Minority interests		**11,152**	22,401	**86,721**	173,702
Profit for the period		**215,992**	506,289	**1,679,608**	3,925,868
		US$	US$	**HK$**	HK$
Earnings per share					
Basic	8	**0.63**	1.47	**4.90**	11.43
Diluted	8	**0.63**	1.47	**4.89**	11.42
		US$'000	US$'000	**HK$'000**	HK$'000
Proposed interim dividend	7	**42,315**	42,435	**329,051**	329,051

The notes on page 16 to 31 form part of this interim financial report.

CONSOLIDATED BALANCE SHEET

As at 31 December 2006

	Note	At 31 December 2006 (Unaudited) US$'000	At 30 June 2006 (Audited) US$'000	At 31 December 2006 (Unaudited) HK$'000	At 30 June 2006 (Audited) HK$'000
NON-CURRENT ASSETS					
Fixed assets	9				
– Investment properties		**227,756**	194,326	**1,771,087**	1,508,980
– Other property, plant and equipment		**1,533,678**	1,439,961	**11,926,264**	11,181,585
Bass Strait oil and gas royalty		**122,952**	118,305	**956,105**	918,662
Interest in associates		**280,156**	259,740	**2,178,563**	2,016,933
Interest in jointly controlled entities		**116,367**	109,775	**904,899**	852,425
Available-for-sale financial assets		**34,313**	15,278	**266,826**	118,636
Deferred tax assets		**965**	957	**7,504**	7,431
Intangible assets		**59,134**	–	**459,841**	–
Goodwill	16	**12,242**	1,380	**95,197**	10,716
		2,387,563	2,139,722	**18,566,286**	16,615,368
CURRENT ASSETS					
Development properties	10	**1,097,327**	957,339	**8,533,089**	7,433,929
Properties held for sale		**109,650**	75,832	**852,666**	588,851
Trade and other receivables	11	**249,923**	278,611	**1,943,464**	2,163,470
Trading financial assets		**925,910**	509,337	**7,200,108**	3,955,104
Cash and short term funds		**3,015,315**	3,421,735	**23,447,842**	26,570,457
		5,398,125	5,242,854	**41,977,169**	40,711,811
Assets held for sale		**–**	88,150	**–**	684,502
CURRENT LIABILITIES					
Trade and other payables	12	**281,222**	287,278	**2,186,853**	2,230,771
Current portion of bank loans and other borrowings	13	**256,129**	248,857	**1,991,723**	1,932,424
Taxation		**31,761**	36,151	**246,981**	280,720
Provisions		**9,661**	2,892	**75,126**	22,457
		578,773	575,178	**4,500,683**	4,466,372
NET CURRENT ASSETS		**4,819,352**	4,755,826	**37,476,486**	36,929,941
TOTAL ASSETS LESS CURRENT LIABILITIES		**7,206,915**	6,895,548	**56,042,772**	53,545,309
NON-CURRENT LIABILITIES					
Non-current portion of bank loans and other borrowings	14	**1,234,891**	1,004,682	**9,602,821**	7,801,557
Provisions		**25,147**	34,804	**195,549**	270,260
Deferred tax liabilities		**146,517**	135,671	**1,139,353**	1,053,512
		1,406,555	1,175,157	**10,937,723**	9,125,329
NET ASSETS		**5,800,360**	5,720,391	**45,105,049**	44,419,980
CAPITAL AND RESERVES					
Share capital	15	**164,526**	164,526	**1,279,395**	1,277,577
Reserves		**4,663,894**	4,589,821	**36,267,606**	35,640,878
Equity attributable to shareholders of the Company	15	**4,828,420**	4,754,347	**37,547,001**	36,918,455
Minority interests	15	**971,940**	966,044	**7,558,048**	7,501,525
TOTAL EQUITY	15	**5,800,360**	5,720,391	**45,105,049**	44,419,980

The notes on page 16 to 31 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2006 - Unaudited

	2006 US$'000	2005 US$'000	**2006 HK$'000**	2005 HK$'000
Total equity at 1 July	**5,720,391**	4,591,838	**44,419,980**	35,656,540
Exchange adjustments	**–**	–	**63,210**	(50,509)
	5,720,391	4,591,838	**44,483,190**	35,606,031
Net income for the period recognised directly in equity:				
Exchange difference on translation of the financial statements of foreign subsidiaries, associates and jointly controlled entities	**93,404**	(7,849)	**726,333**	(60,865)
Change in fair value and disposal of available-for-sale financial assets	**7,200**	584	**55,989**	4,528
Net income for the period recognised directly in equity	**100,604**	(7,265)	**782,322**	(56,337)
Net profit for the period	**215,992**	506,289	**1,679,608**	3,925,868
Total recognised income and expenses for the period	**316,596**	499,024	**2,461,930**	3,869,531
Attributable to:				
Shareholders of the Company	**259,725**	473,833	**2,019,687**	3,673,422
Minority interests	**56,871**	25,191	**442,243**	196,109
	316,596	499,024	**2,461,930**	3,869,531
Share of subsidiaries' and associates' capital and other reserves movement	**(16,575)**	(15,221)	**(128,891)**	(118,027)
Share of new subsidiaries' reserves in relation to the interests previously acquired	**–**	32,958	**–**	255,563
Final dividend paid	**(167,041)**	(125,981)	**(1,298,953)**	(976,882)
Equity settled share – based transaction	**246**	207	**1,913**	1,605
Purchase of own shares for Share Option Plan	**–**	(24,812)	**–**	(192,397)
Issue of ordinary share capital of a subsidiary	**–**	65	**–**	504
Minority interests on acquisition of subsidiaries	**(31,912)**	455,616	**(248,156)**	3,532,938
Dividend paid to minority interests	**(23,539)**	(20,657)	**(183,045)**	(160,179)
Capital contribution from minority interests	**859**	–	**6,680**	–
Exercise of warrants and conversion of ICULS issued by a subsidiary	**1,335**	–	**10,381**	–
Dilution of interest in a subsidiary arising from conversion of preference shares to ordinary shares	**–**	(41)	**–**	(319)
Total equity at 31 December	**5,800,360**	5,392,996	**45,105,049**	41,818,368

The notes on page 16 to 31 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 31 December 2006 – Unaudited

	2006 **US$'000**	2005 US$'000
NET CASH USED IN OPERATING ACTIVITIES	**(319,726)**	(2,434,583)
NET CASH USED IN INVESTING ACTIVITIES	**(31,543)**	(131,459)
NET CASH (USED IN)/GENERATED FROM FINANCING	**(77,756)**	1,067,026
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(429,025)**	(1,499,016)
EFFECT OF FOREIGN EXCHANGE RATES	**22,605**	3,991
CASH AND CASH EQUIVALENTS AS AT 1 JULY	**3,421,735**	3,032,611
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	**3,015,315**	1,537,586
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and short term funds	**3,015,315**	1,537,586

The notes on page 16 to 31 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

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

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2005/06 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2006/07 annual financial statements as described below.

The HKICPA has issued certain new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), which term collectively includes HKASs and Interpretations, that are first effective or available for early adoption for the current accounting period of the Group. The adoption of the new standards, amendments and interpretations had no material impact on the Group's results and financial position. Accordingly, no prior period adjustment has been required.

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

	Effective for accounting periods beginning on or after
HK(IFRIC) – INT 10, Interim financial reporting and impairment	1 November 2006
HKFRS 7, Financial instruments: disclosures	1 January 2007
Amendment to HKAS 1, Presentation of financial statements: capital disclosures	1 January 2007
HK(IFRIC) – INT 11, HKFRS 2 – Group and Treasury Share Transactions	1 March 2007

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 2005/06 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 2006 included in the interim financial report is extracted from the Company's statutory financial statements. Statutory financial statements for the year ended 30 June 2006 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 15 September 2006.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

2. SEGMENT INFORMATION

Business Segments (Unaudited)

	Proprietary asset management US$'000	Property development US$'000	Property investment US$'000	Securities, commodities and brokerage US$'000	Hotel and gaming operations US$'000	Oil and gas US$'000	Inter-segment elimination US$'000	Total US$'000
For the six months ended 31 December 2006								
Turnover	**834,238**	**77,284**	**6,747**	**4,516**	**202,450**	**–**	**–**	**1,125,235**
Inter-segment turnover	**22,429**	**–**	**411**	**163**	**–**	**–**	**(23,003)**	**–**
	856,667	**77,284**	**7,158**	**4,679**	**202,450**	**–**	**(23,003)**	**1,125,235**
Contribution from operations	**175,804**	**4,421**	**2,988**	**1,838**	**32,435**	**7,201**	**–**	**224,687**
Unallocated income								**187**
Unallocated expenses								**(6,818)**
Profit from operations before finance cost								**218,056**
For the six months ended 31 December 2005								
Turnover	603,360	102,273	5,620	3,924	82,569	–	–	797,746
Inter-segment turnover	67,509	–	237	86	–	–	(67,832)	–
	670,869	102,273	5,857	4,010	82,569	–	(67,832)	797,746
Contribution from operations	446,450	1,013	2,524	2,003	11,509	2,989	–	466,488
Unallocated income								16,147
Unallocated expenses								(14,967)
Profit from operations before finance cost								467,668

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

2. SEGMENT INFORMATION (Cont'd)

Geographical Segments (Unaudited)

	Turnover Six months ended 31 December		Profit from operations Six months ended 31 December	
	2006 US$'000	2005 US$'000	**2006 US$'000**	2005 US$'000
Hong Kong	**829,557**	580,197	**168,802**	411,672
United Kingdom	**194,560**	82,569	**9,204**	1,659
Singapore	**61,087**	66,844	**5,539**	21,755
The People's Republic of China ("PRC")	**15,632**	65,692	**(5,172)**	5,513
Malaysia	**15,575**	42	**(1,347)**	6,959
USA	**6,791**	2,401	**823**	(339)
Asia (excluding HK, Singapore, PRC and Malaysia)	**2,033**	1	**316**	1,181
Australasia	**–**	–	**5,960**	1,627
	1,125,235	797,746	**184,125**	450,027

3. TURNOVER

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

	Six months ended 31 December	
	2006 (Unaudited) US$'000	2005 (Unaudited) US$'000
Proceeds from sale of investments in securities	**741,980**	549,276
Income from sale of properties	**77,284**	102,273
Interest income	**89,436**	40,014
Revenue from hotel and gaming operations	**202,450**	82,569
Dividend income	**4,134**	15,029
Rental income from properties	**6,321**	5,475
Securities commission and brokerage	**2,961**	2,730
Other income	**669**	380
	1,125,235	797,746

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

4. OTHER REVENUE AND NET INCOME

(a) Other revenue

	Six months ended 31 December 2006 (Unaudited) US$'000	Six months ended 31 December 2005 (Unaudited) US$'000
Sublease income	**4,472**	2,153
Bass Strait oil and gas royalty	**10,143**	4,407
Hotel management fee	**2,902**	–
Others	**1,277**	1,549
	18,794	8,109

(b) Other net income

	Six months ended 31 December 2006 (Unaudited) US$'000	Six months ended 31 December 2005 (Unaudited) US$'000
Net unrealised gains on trading financial assets	**33,556**	354,282
Net realised and unrealised gains on derivative financial instruments	**7,465**	8,792
Other exchange gains	**11,025**	4,976
Net exchange (losses)/gains on FX contracts	**(3,272)**	117
Net profit on disposal of fixed assets	**60**	65
Cash distributions of investments	**236**	7,459
Others	**860**	538
	49,930	376,229

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

5. PROFIT FOR THE PERIOD BEFORE TAXATION

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

(a) Finance cost

	Six months ended 31 December	
	2006	2005
	(Unaudited)	(Unaudited)
	US$'000	US$'000
Interest on bank advances and other borrowings wholly repayable within five years	**17,958**	10,845
Other borrowing costs	**24,295**	11,525
Total borrowing costs	**42,253**	22,370
Less: borrowing costs capitalised into development properties (Note)	**(8,322)**	(4,729)
	33,931	17,641

Note: The borrowing costs have been capitalised at rates of 3.2% to 6.0% per annum (2005: 3.0% to 4.7%).

(b) Staff cost

	Six months ended 31 December	
	2006	2005
	(Unaudited)	(Unaudited)
	US$'000	US$'000
Salaries, wages and other benefits	**72,167**	37,621
Retirement scheme contributions	**1,914**	872
	74,081	38,493

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

(c) Other items

	Six months ended 31 December 2006 (Unaudited) US$'000	Six months ended 31 December 2005 (Unaudited) US$'000
Depreciation	**15,616**	7,080
Amortisation of Bass Strait oil and gas royalty	**2,926**	1,404
Operating lease charges		
– properties	**894**	388
– others	**669**	426
Auditors' remuneration	**518**	282
Donations	**82**	41
Recognition of negative goodwill	**(115)**	(16,147)
Gross rental income from investment properties	**(3,240)**	(3,644)
Less: direct outgoings	**411**	1,200
	(2,829)	(2,444)
Share of profits less losses of associates:		
– listed	**(14,768)**	(24,610)
– unlisted	**(8,757)**	(7,902)
	(23,525)	(32,512)
Share of profits less losses of jointly controlled entities:		
– unlisted	**(679)**	(20,675)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

6. TAXATION

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

	Six months ended 31 December	
	2006 (Unaudited) US$'000	2005 (Unaudited) US$'000
Hong Kong Profits Tax	**(1,693)**	(7,101)
Overseas taxation	**4,430**	(6,697)
Deferred taxation	**(1,438)**	2,978
	1,299	(10,820)

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 17.5% (2005: 17.5%) to the profits for the six months ended 31 December 2006. Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that would be applicable to the relevant countries.

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

7. DIVIDENDS

	Six months ended 31 December	
	2006 (Unaudited) US$'000	2005 (Unaudited) US$'000
Year 2005/2006: Final dividend paid of HK$3.00 per share (Year 2004/2005: HK$3.00 per share)	**125,281**	125,981
Year 2005/2006: Special dividend paid of HK$1.00 per share (Year 2004/2005: Nil)	**41,760**	–
Year 2006/2007: Proposed interim dividend of HK$1.00 per share (Year 2005/2006: HK$1.00 per share)	**42,315**	42,435

The proposed interim dividend for the year ending 30 June 2007 of US$42,315,000 (2006: US$42,435,000) is calculated based on 329,051,373 ordinary shares (2005: 329,051,373 ordinary shares) in issue as at 31 December 2006.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company of US$204,840,000 (2005: US$483,888,000) and the weighted average number of 325,024,511 ordinary shares (2005: 328,194,902 ordinary shares) in issue during the period.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to shareholders of the Company of US$204,517,657 (2005: US$483,367,000) and the weighted average number of 325,024,511 ordinary shares (2005: 328,194,902 ordinary shares) in issue during the period after adjusting for the effect of all dilutive potential ordinary shares.

9. FIXED ASSETS

During the six months ended 31 December 2006, the Group acquired fixed assets with a cost of US$12,155,000 (six months ended 31 December 2005: US$382,994,000). The Group disposed of fixed assets with a net book value of US$1,874,000 during the six months ended 31 December 2006 (six months ended 31 December 2005: US$645,000).

10. DEVELOPMENT PROPERTIES

	At 31 December 2006 (Unaudited) US$'000	At 30 June 2006 (Audited) US$'000
Cost	**1,475,537**	1,277,216
Add: Attributable profit	**13,642**	3,604
Less: Impairment loss	**(21,999)**	(33,057)
Less: Progress instalments received and receivable	**(369,853)**	(290,424)
	1,097,327	957,339

The amount of development properties expected to be recovered after more than one year is US$948.1 million (30 June 2006: US$698.0 million).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

11. TRADE AND OTHER RECEIVABLES

	At 31 December 2006 (Unaudited) US$'000	At 30 June 2006 (Audited) US$'000
Trade debtors	**136,847**	184,981
Deposits and prepayments	**90,700**	79,586
Derivative financial instruments, at fair value	**12,495**	1,172
Interest receivable	**9,881**	12,872
	249,923	278,611

Included in trade and other receivables are amounts of US$6.4 million (30 June 2006: US$8.4 million) which are expected to be recovered after more than one year.

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

	At 31 December 2006 (Unaudited) US$'000	At 30 June 2006 (Audited) US$'000
Current	**97,821**	175,853
1 to 3 months overdue	**38,553**	4,866
More than 3 months overdue but less than 12 months overdue	**473**	4,262
	136,847	184,981

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

12. TRADE AND OTHER PAYABLES

	At 31 December 2006 (Unaudited) US$'000	At 30 June 2006 (Audited) US$'000
Trade creditors	**54,099**	64,099
Other payables and accrued operating expenses	**205,072**	197,879
Derivative financial instruments, at fair value	**12,232**	3,329
Amount due to a fellow subsidiary	**7,458**	21,943
Amounts due to associates	**31**	28
Amounts due to jointly controlled entities	**2,330**	–
	281,222	287,278

Included in trade and other payables are amounts of US$9.5 million (30 June 2006: US$11.4 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 2006 (Unaudited) US$'000	At 30 June 2006 (Audited) US$'000
Due within 1 month or on demand	**51,568**	58,097
Due after 1 month but within 3 months	**1,620**	1,560
Due after 3 months but within 6 months	**496**	64
Over 6 months	**415**	4,378
	54,099	64,099

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

13. CURRENT PORTION OF BANK LOANS AND OTHER BORROWINGS

	At 31 December 2006 (Unaudited) US$'000	At 30 June 2006 (Audited) US$'000
Bank loans		
– Secured	**151,568**	133,725
– Unsecured	**40,432**	10,896
	192,000	144,621
Unsecured capital notes	**19,571**	18,889
Unsecured medium term notes repayable within 1 year	**44,558**	85,347
	256,129	248,857

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

	At 31 December 2006 (Unaudited) US$'000	At 30 June 2006 (Audited) US$'000
Bank loans		
– Secured	**340,705**	151,286
– Unsecured	**200,000**	224,758
	540,705	376,044
Unsecured medium term notes	**166,351**	129,077
Unsecured fixed rate bonds	**–**	1,453
Secured mortgage debenture stock	**527,835**	498,108
	1,234,891	1,004,682

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

14. NON-CURRENT PORTION OF BANK LOANS AND OTHER BORROWINGS (Cont'd)

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

	At 31 December 2006 (Unaudited)				At 30 June 2006 (Audited)			
	Bank loans US$'000	Mortgage debenture stock US$'000	Other borrowings US$'000	Total US$'000	Bank loans US$'000	Mortgage debenture stock US$'000	Other borrowings US$'000	Total US$'000
On demand or within 1 year	**192,000**	**–**	**64,129**	**256,129**	144,621	–	104,236	248,857
After 1 year but within 2 years	**122,260**	**–**	**65,236**	**187,496**	58,464	–	1,453	59,917
After 2 years but within 5 years	**416,319**	**–**	**101,115**	**517,434**	315,540	–	129,077	444,617
After 5 years	**2,126**	**527,835**	**–**	**529,961**	2,040	498,108	–	500,148
	540,705	**527,835**	**166,351**	**1,234,891**	376,044	498,108	130,530	1,004,682
	732,705	**527,835**	**230,480**	**1,491,020**	520,665	498,108	234,766	1,253,539

15. SHARE CAPITAL AND RESERVES

	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$'000	Minority interests US$'000	Total equity US$'000
At 1 July 2006	164,526	10,493	(17,647)	2,895	(41,024)	782	39,485	(7,721)	9,760	4,592,798	4,754,347	966,044	5,720,391
Transfer between reserves	–	–	2,189	–	–	–	–	–	–	(2,189)	–	–	–
Share of subsidiaries' and associates' capital and other reserves movement	–	–	(16,627)	–	–	–	–	–	–	–	(16,627)	52	(16,575)
Equity settled share – based transaction	–	–	–	–	–	166	–	–	–	–	166	80	246
Change in fair value and disposal of available-for-sale financial assets	–	–	–	–	–	–	–	4,056	–	–	4,056	3,144	7,200
Exchange differences on translation of the financial statements of foreign subsidiaries, associates and jointly controlled entities	–	–	155	–	58	14	50,253	225	124	–	50,829	42,575	93,404
Minority interests on acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	(2,150)	(2,150)	(29,762)	(31,912)
Dividend paid to minority interests	–	–	–	–	–	–	–	–	–	–	–	(23,539)	(23,539)
Capital contribution from minority interests	–	–	–	–	–	–	–	–	–	–	–	859	859
Exercise of warrants and conversion of ICULS issued by a subsidiary	–	–	–	–	–	–	–	–	–	–	–	1,335	1,335
Final dividend paid	–	–	–	–	–	–	–	–	–	(167,041)	(167,041)	–	(167,041)
Retained profits for the period	–	–	–	–	–	–	–	–	–	204,840	204,840	11,152	215,992
At 31 December 2006	164,526	10,493	(31,930)	2,895	(40,966)	962	89,738	(3,440)	9,884	4,626,258	4,828,420	971,940	5,800,360

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

15. SHARE CAPITAL AND RESERVES (Cont'd)

Share capital :

	At 31 December 2006		At 30 June 2006	
	No. of shares		No. of shares	
	(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
	('000)	**US$'000**	('000)	US$'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 2006, 4,026,862 ordinary shares (30 June 2006: 4,026,862 ordinary shares) were acquired by the Group to reserve for the Share Option Plan for the purpose of satisfying the exercise of share options to be granted to eligible employees.

16. ACQUISITION OF BUSINESS

BIL Gaming Operations UK Limited, a wholly owned subsidiary of BIL International Limited, acquired 100% ownership in the Clermont Club for an all cash consideration of US$60,357,000 on 1 December 2006. The Clermont Club is a high-end and best-known casino situated in London. The Clermont Club recorded US$2,036,000 net gaming loss in turnover and US$3,328,000 net loss since acquisition to the balance sheet date. If the above acquisition has occurred on 1 July 2006, total Group turnover would have been US$1,132,231,000 and profit for the period attributable to shareholders of the Company would have been US$205,232,000 for the period ended 31 December 2006. The acquisition has been accounted for by the purchase method of accounting.

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

	Acquiree's carrying value before combination	**Fair value adjustments**	**Acquiree's fair value before combination**
	US$'000	US$'000	US$'000
Net assets acquired:			
Property, plant and equipment	2,101	(417)	1,684
Intangible assets	–	57,693	57,693
Cash and short term funds	980	–	980
Net identifiable assets	3,081	57,276	60,357
Total cash consideration			60,357

BIL International Limited is in the process of carrying out valuation on the assets acquired. Additional fair value adjustments may be required upon the completion of the valuation.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

	At 31 December 2006 (Unaudited) US$'000	At 30 June 2006 (Audited) US$'000
Authorised and contracted for	**48,580**	91,459

18. CONTINGENT LIABILITIES

A subsidiary of the Group, BIL International Limited, had contingent liabilities of approximately US$9.5 million (30 June 2006: US$8.9 million) in relation to the guarantees of investment performance. In addition, BIL International Limited has given a guarantee to the owner of the 28 hotel businesses sold in 2002 that the aggregate Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of the business will not be less than US$64.1 million (30 June 2006: US$59.9 million) per calendar year (or pro-rata amount) thereafter until 4 April 2012. The maximum liability on any one year under the guarantee was US$64.1 million (30 June 2006: US$59.9 million) and the maximum aggregate liability under the guarantee was approximately US$128.2 million (30 June 2006: US$119.9 million). BIL International Limited's expectation is that the future annual EBITDA will be in excess of the guaranteed amount.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

19. MATERIAL RELATED PARTY TRANSACTIONS

(a) Banking transactions

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

During the period, the Group entered into a number of transactions in the normal course of business with companies in the HLCM Group including deposit 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 balances outstanding at the balance sheet date is set out below:

(i) Income

	Six months ended 31 December	
	2006 (Unaudited) US$'000	2005 (Unaudited) US$'000
Interest income	**170**	374

(ii) Balances as

	At 31 December 2006 (Unaudited) US$'000	At 30 June 2006 (Audited) US$'000
Cash and short term funds	**45,236**	629

(b) Management fee

On 21 August 2001, the Company entered into a management services agreement, determinable by either party giving six months' notice, with GOMC Limited ("GOMC"), a subsidiary of HLCM, for provision of general management services to the Group by GOMC. Total management fees paid and payable to GOMC for the period ended 31 December 2006 amounted to US$6.1 million (2005: US$14.9 million).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

20. HONG KONG DOLLAR AMOUNTS

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

21. REVIEW BY BOARD AUDIT COMMITTEE

The unaudited interim results for the six months ended 31 December 2006 have been reviewed by the Board Audit Committee of the Company. The information in these interim results does not constitute statutory accounts.

22. COMPARATIVE INFORMATION

Certain items in turnover, other revenue, other net income and minority interests have been reclassified to conform with current year presentation.

SUPPLEMENTARY INFORMATION

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

During the period the Company had not redeemed, neither the Company nor any of its other subsidiaries purchased or sold any of the Company's listed securities.

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

As at 31 December 2006, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of the Company ("Model Code") were disclosed as follows in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

(A) The Company

	Number of *shares/underlying shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**		**Approx. % of the issued share capital of the Company**
Quek Leng Chan	1,656,325	227,800,391	229,456,716	*Note*	69.73%
Kwek Leng Hai	3,670,775	–	3,670,775		1.12%
Sat Pal Khattar	691,125	–	691,125		0.21%
Kwek Leng San	209,120	–	209,120		0.06%
Tan Lim Heng	559,230	–	559,230		0.17%
James Eng, Jr.	565,443	–	565,443		0.17%

* *Ordinary shares unless otherwise specified in the Note*

Note:

The total interests of 229,456,716 shares/underlying shares comprised 221,262,634 ordinary shares of the Company and 8,194,082 underlying shares of other unlisted derivatives.

The corporate interests of 227,800,391 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuoLine Overseas Limited ("GOL")	217,348,529
Guoinvest International Limited ("Guoinvest")	6,425,000
Asian Financial Common Wealth Limited ("AFCW")	4,026,862

AFCW was wholly owned by the Company which was in turn 65.52% owned by GOL. GOL and Guoinvest were wholly owned by GuoLine Capital Assets Limited which was in turn wholly owned by Hong Leong Company (Malaysia) Berhad ("HLCM"). HLCM was 49.11% owned by Mr Quek Leng Chan (2.43%) and HL Holdings Sdn Bhd (46.68%) which was in turn wholly owned by Mr Quek Leng Chan.

SUPPLEMENTARY INFORMATION

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

(B) Associated Corporations

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

	Number of *shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**		**Approx. % of the issued share capital of HLCM**
Quek Leng Chan	390,000	7,487,100	7,877,100	*Note*	49.11%
Kwek Leng Hai	420,500	–	420,500		2.62%
Kwek Leng San	117,500	–	117,500		0.73%

* *Ordinary shares*

Note:

The corporate interests of 7,487,100 shares were held by HL Holdings Sdn Bhd which was in turn wholly owned by Mr Quek Leng Chan.

b) GuocoLand Limited ("GLL")

	Number of *shares/underlying shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**	*Notes*	**Approx. % of the issued share capital of GLL**
Quek Leng Chan	15,047,224	469,407,229	484,454,453	*1*	72.78%
Kwek Leng Hai	19,851,140	–	19,851,140		2.98%
Sat Pal Khattar	5,000,000	5,392,362	10,392,362	*2*	1.56%
Tan Lim Heng	1,000,000	–	1,000,000		0.15%
Volker Stoeckel	822,000	–	822,000		0.12%
James Eng, Jr.	200,000	–	200,000		0.03%

* *Ordinary shares unless otherwise specified in the Notes*

SUPPLEMENTARY INFORMATION

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

(B) Associated Corporations (Cont'd)

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

Notes:

1. The total interests of 484,454,453 shares/underlying shares comprised 440,408,464 ordinary shares of GLL and 44,045,989 underlying shares of other unlisted derivatives.

   The corporate interests of 469,407,229 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Guoco Investment Pte Ltd ("GIPL")	425,361,240
GuoLine Capital Limited ("GCL")	44,045,989

   GIPL was wholly owned by the Company. GCL was wholly owned by GuoLine Capital Assets Limited which was in turn wholly owned by Hong Leong Company (Malaysia) Berhad ("HLCM"). The respective controlling shareholders of the Company and HLCM as well as their respective percentage controls are shown in the Note under Part (A) above.

2. The corporate interests of 5,392,362 shares were directly held by Khattar Holdings Pte Ltd which was 0.61% owned by Mr Sat Pal Khattar and was accustomed to act according to his directions.

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

	Number of *shares/underlying shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**	*Notes*	**Approx. % of the issued share capital of HLFG**
Quek Leng Chan	4,989,600	827,701,900	832,691,500	*1*	80.01%
Kwek Leng Hai	2,316,800	–	2,316,800	*2*	0.22%
Kwek Leng San	600,000	–	600,000		0.06%
Tan Lim Heng	245,700	–	245,700		N/A

* *Ordinary shares unless otherwise specified in the Notes*

SUPPLEMENTARY INFORMATION

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

(B) Associated Corporations (Cont'd)

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

Notes:

1. The total interests of 832,691,500 shares/underlying shares comprised 824,903,500 ordinary shares of HLFG and 7,788,000 underlying shares of other unlisted derivatives.

   The corporate interests of 827,701,900 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Company (Malaysia) Berhad ("HLCM")	546,476,568
HLCM Capital Sdn Bhd ("HLCM Capital")	296,786
Hong Leong Share Registration Services Sdn Bhd ("HLSRS")	3,600
Guoinvest International Limited ("Guoinvest")	7,788,000
Guoco Assets Sdn Bhd ("GASB")	267,079,946
Soft Portfolio Sdn Bhd ("SPSB")	6,057,000

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

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

   SPSB was 99% owned by Mr Quek Leng Chan.

2. The total interests of 2,316,800 shares/underlying shares comprised 2,156,000 ordinary shares of HLFG and 160,800 underlying shares of listed physically settled options issued by HLFG.

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

	Number of *shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**		**Approx. % of the issued share capital of GLM**
Quek Leng Chan	3,266,280	455,198,596	458,464,876	*Note*	65.45%
Kwek Leng Hai	226,800	–	226,800		0.03%
Sat Pal Khattar	152,700	–	152,700		0.02%
Tan Lim Heng	546,010	–	546,010		0.08%

* *Ordinary shares*

SUPPLEMENTARY INFORMATION

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

(B) Associated Corporations (Cont'd)

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

Note:

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

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

GLLM was wholly owned by GuocoLand Limited which was in turn 63.90% owned by Guoco Investment Pte Ltd ("GIPL"). GIPL was wholly owned by the Company.

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

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

e) Hong Leong Industries Berhad ("HLI")

	Number of *shares/underlying shares (Long Position)/ Amount of Debentures				
Director	**Personal interests**	**Corporate interests**	**Total interests**	*Notes*	**Approx. % of the issued share capital of HLI**
Kwek Leng Hai	189,812	–	189,812	*1*	0.09%
	MYR165,000	–	MYR165,000	*2*	N/A
Sat Pal Khattar	198,580	–	198,580	*3*	0.09%
	MYR171,000	–	MYR171,000	*2*	N/A
Kwek Leng San	2,220,000	–	2,220,000	*4*	1.02%
	MYR2,604,000	–	MYR2,604,000	*2*	N/A

* *Ordinary shares unless otherwise specified in the Notes*

Notes:

1. The total interests of 189,812 shares/underlying shares comprised 163,200 ordinary shares of HLI and 26,612 underlying shares of listed physically settled options issued by HLI.

2. These debentures were freely transferable and convertible into shares of HLI.

3. The total interests of 198,580 shares/underlying shares comprised 171,000 ordinary shares of HLI and 27,580 underlying shares of listed physically settled options issued by HLI.

4. The total interests of 2,220,000 shares/underlying shares comprised 1,800,000 ordinary shares of HLI and 420,000 underlying shares of listed physically settled options issued by HLI.

SUPPLEMENTARY INFORMATION

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

(B) Associated Corporations (Cont'd)

f) Hong Leong Bank Berhad ("HLBB")

	Number of *shares (Long Position)			
Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of HLBB
Kwek Leng Hai	3,955,700	–	3,955,700	0.26%
Sat Pal Khattar	294,000	–	294,000	0.02%
Kwek Leng San	385,000	–	385,000	0.03%

* *Ordinary shares*

g) HLG Capital Berhad ("HLGC")

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

* *Ordinary shares*

h) Malaysian Pacific Industries Berhad ("MPI")

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

* *Ordinary shares*

SUPPLEMENTARY INFORMATION

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

(B) Associated Corporations (Cont'd)

i) Hume Industries (Malaysia) Berhad ("HIMB")

	Number of *shares (Long Position)				
Director	Personal interests	Corporate interests	Total interests		Approx. % of the issued share capital of HIMB
Quek Leng Chan	2,000,000	120,144,828	122,144,828	*Note*	66.77%
Sat Pal Khattar	200,000	–	200,000		0.11%

* *Ordinary shares*

Note:

The corporate interests of 120,144,828 shares comprised the respective direct interests held by:

	Number of shares
Hong Leong Company (Malaysia) Berhad ("HLCM")	116,937,027
HLCM Capital Sdn Bhd ("HLCM Capital")	19,401
Hong Leong Assurance Berhad ("HLA")	1,154,400
Soft Portfolio Sdn Bhd ("SPSB")	2,034,000

HLA was wholly owned by Hong Leong Financial Group Berhad which was 78.20% owned by HLCM.

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

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

j) Narra Industries Berhad ("NIB")

	Number of *shares (Long Position)				
Director	Personal interests	Corporate interests	Total interests		Approx. % of the issued share capital of NIB
Quek Leng Chan	8,170,200	38,304,000	46,474,200	*Note*	74.73%

* *Ordinary shares*

Note:

The corporate interests of 38,304,000 shares were directly held by Hume Industries (Malaysia) Berhad which was in turn 64.56% owned by Hong Leong Company (Malaysia) Berhad ("HLCM"). The controlling shareholders of HLCM and their percentage controls are shown in the Note under Part (A) above.

SUPPLEMENTARY INFORMATION

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

(B) Associated Corporations (Cont'd)

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

	Number of *shares (Long Position)			
Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of LSHK
Kwek Leng Hai	2,300,000	–	2,300,000	0.95%
Tan Lim Heng	274,000	–	274,000	0.11%
James Eng, Jr.	619,000	–	619,000	0.25%
Ding Wai Chuen	10,000	–	10,000	0.00%

* *Ordinary shares*

l) BIL International Limited ("BIL")

	Number of *shares/underlying shares (Long Position)				
Director	Personal interests	Corporate interests	Total interests		Approx. % of the issued share capital of BIL
Quek Leng Chan	150,000	815,224,043	815,374,043	*Note*	59.60%
Tan Lim Heng	100,000	–	100,000		0.01%

* *Ordinary shares unless otherwise specified in the Note*

Note:

The total interests of 815,374,043 shares/underlying shares comprised 811,447,043 ordinary shares of BIL and 3,927,000 underlying shares of other unlisted derivatives.

The corporate interests of 815,224,043 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Guoinvest International Limited ("Guoinvest")	3,927,000
Camerlin Group Berhad ("CGB")	31,845,810
Camerlin Holdings Sdn Bhd ("CHSB")	269,742,547
Camerlin Investments Limited ("CIL")	2,972,850
High Glory Investments Limited ("HGIL")	506,735,836

CHSB and CIL were wholly owned by CGB. CGB was 69% owned by Brightspring Holdings Limited which was in turn wholly owned by the Company. HGIL was wholly owned by the Company. The respective controlling shareholders of the Company and Guoinvest as well as their respective percentage controls are shown in the Note under Part (A) above.

SUPPLEMENTARY INFORMATION

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

(C) Others

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

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

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

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

Save as disclosed above, as at 31 December 2006, none of the directors of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified the Company pursuant to the Model Code required to be disclosed in accordance with the Listing Rules.

SUPPLEMENTARY INFORMATION

SHARE OPTIONS

The Company

Share Option Scheme

A share option scheme (the "Share Option Scheme") was adopted by the Company on 29 November 2001 to provide for the grant of options over new shares of the Company to employees and directors of the Company and any of its subsidiaries and associated companies (the "Eligible Employees").

No option has ever been granted to any Eligible Employee pursuant to the Share Option Scheme up to 31 December 2006.

Share Option Plan

On 16 December 2002, the Company adopted a share option plan (the "Share Option Plan") allowing the grant of options over existing shares of the Company to employees and directors of the group companies and employees of associated companies (the "Participants").

No option has ever been granted to any Participant pursuant to the Share Option Plan up to 31 December 2006.

GuocoLand Limited ("GLL")

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

In October 2004, the approval of shareholders of GLL and the Company were sought to effect various amendments to the rules of the GLL ESOS (the "Rules") to, inter alia, allow grant of options over both newly issued and existing shares of GLL and to align the Rules with Chapter 17 of the Listing Rules (the "Modified GLL ESOS").

As at 1 July 2006, there were 18,500,000 outstanding options pursuant to the Modified GLL ESOS, of which 2,000,000 options were exercised on 23 October 2006. The particulars of the said options are as follows:

Date of grant	Grantee	No. of GLL Shares comprised in options	Exercise price per GLL share	*Notes*	No. of options exercised during the period	Average closing price immediately before date of exercise
1 November 2004	selected key executives of GLL	12,500,000	S$1.19	*1*	–	–
30 May 2005	selected key executive of GLL	6,000,000	S$1.32	*2*	2,000,000	S$2.56

Notes:

1. Subject to certain financial and performance targets being met by the grantees during the performance period for the financial years 2004/05 to 2006/07, the grantees may, at any time after 1 July 2007 or, at such other time as may be prescribed by the GLL ESOS Committee at its sole discretion, be notified ("Date of Notification") of the vesting of the options and the number of GLL shares comprised in the vested options. Thereafter, the grantees shall have an exercise period of up to two years from the Date of Notification, or such other period as may be prescribed by the GLL ESOS Committee at its sole discretion, to exercise the vested options in accordance with the terms of their grant.

SUPPLEMENTARY INFORMATION

SHARE OPTIONS (Cont'd)

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

Notes: (Cont'd)

2. Under the terms of the grant, a first tranche of 2,000,000 GLL shares may be exercised at any time within one year from the first anniversary of the date of grant, i.e. from 30 May 2006. Subject to certain financial and performance targets being met by the grantee during the performance period for the financial years 2005/06 to 2006/07, the grantee shall have an exercise period of up to two years from the date of vesting, or such other period as may be prescribed by the GLL ESOS Committee at its sole discretion, to exercise the vested option of up to the remaining 4,000,000 GLL shares in accordance with the terms of the grant.

During the period, no options were vested nor had lapsed, and no new options were granted. Accordingly, the number of outstanding options was 16,500,000 as at 31 December 2006.

BIL International Limited ("BIL")

The BIL International Share Option Plan (the "BIL Plan")

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

There were no outstanding options pursuant to the BIL Plan as at 1 July 2006 and 31 December 2006, and no option has been granted to any eligible participants pursuant to the BIL Plan during the period.

The BIL Value Creation Incentive Share Scheme (the "BIL Scheme")

The BIL Scheme is a share incentive scheme and was approved by the board of directors of BIL in 2003. Under the BIL Scheme, options over existing shares of BIL may be issued to eligible participants including employees and executive directors of the BIL Group.

There were no outstanding options pursuant to the BIL Scheme as at 1 July 2006 and 31 December 2006, and no option has been granted to any eligible participants pursuant to the BIL Scheme during the period.

GuocoLand (Malaysia) Berhad ("GLM")

Executive Share Option Scheme (the "GLM ESOS")

The GLM ESOS as approved by the shareholders of GLM was established on 23 January 2006. Under the GLM ESOS, options over both newly issued and existing shares of GLM may be issued to eligible participants being executives and directors (executive or non-executive) of the GLM Group.

There were no outstanding options pursuant to the GLM ESOS as at 1 July 2006 and 31 December 2006, and no option has been granted to any eligible participants pursuant to the GLM ESOS during the period.

Apart from the above, at no time during the period was the Company, its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUPPLEMENTARY INFORMATION

DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

As at 31 December 2006, other than the interests and short positions of the directors of the Company disclosed above, the persons who had interests or short positions in the shares and underlying shares of 5% or more in the Company's issued share capital as recorded in the register maintained by the Company under Section 336 of the SFO are as follows:

Shareholders	Capacity	Number of shares/ underlying shares (Long Position)	*Notes*	Approx. % of the issued share capital
Hong Leong Company (Malaysia) Berhad ("HLCM")	Interest of controlled corporations	227,800,391	*1*	69.23%
HL Holdings Sdn Bhd ("HLH")	Interest of controlled corporations	227,800,391	*2 & 3*	69.23%
Hong Leong Investment Holdings Pte Ltd ("HLInvt")	Interest of controlled corporations	227,800,391	*2 & 4*	69.23%
Kwek Holdings Pte Ltd ("KH")	Interest of controlled corporations	227,800,391	*2 & 5*	69.23%
Davos Investment Holdings Private Limited ("Davos")	Interest of controlled corporations	227,800,391	*2 & 6*	69.23%
Kwek Leng Kee ("KLK")	Interest of controlled corporations	227,800,391	*2 & 7*	69.23%
Third Avenue Management LLC	Investment Manager	16,535,300		5.03%
Arnhold and S. Bleichroeder Advisers, LLC	Investment Manager	16,449,000		5.00%

Notes:

1. These interests comprised 219,606,309 ordinary shares of the Company and 8,194,082 underlying shares of unlisted cash settled derivatives.

   These interests comprised the respective direct interests held by:

	Number of shares/underlying shares
GuoLine Overseas Limited ("GOL")	217,348,529
Guoinvest International Limited ("Guoinvest")	6,425,000
Asian Financial Common Wealth Limited ("AFCW")	4,026,862

   AFCW was wholly owned by the Company which was in turn 65.52% owned by GOL. GOL and Guoinvest were wholly owned by GuoLine Capital Assets Limited which was in turn wholly owned by HLCM.

SUPPLEMENTARY INFORMATION

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

Notes: (Cont'd)

2. The interests of HLCM, HLH, HLInvt, KH, Davos and KLK are duplicated.

3. HLH was deemed to be interested in these interests through its controlling interests in HLCM which was 49.11% owned by HLH (46.68%) and Mr Quek Leng Chan (2.43%).

4. HLInvt was deemed to be interested in these interests through its controlling interests of 34.49% in HLCM.

5. KH was deemed to be interested in these interests through its controlling interests of 49.00% in HLInvt.

6. Davos was deemed to be interested in these interests through its controlling interests of 33.59% in HLInvt.

7. KLK was deemed to be interested in these interests through his controlling interests of 41.92% in Davos.

Save as disclosed above, as at 31 December 2006, the Company had not been notified by any person (other than the directors of the Company) who had interests or short positions in the shares or underlying shares of the Company of 5% or more which would fall to be disclosed pursuant to the Part XV of the SFO or as recorded in the register maintained by the Company under Section 336 of the SFO.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 10 April 2007 to 13 April 2007, both days inclusive, during which period no transfer of shares can be effected.

In order to qualify for the interim dividend, all share transfers accompanied by the requisite 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 4:00 p.m. on 4 April 2007.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 23 March 2007