GuocoLand Limited

Statement Pursuant to SGX Listing Rule 705(4) of the Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim consolidated financial results of GuocoLand Limited for the half year ended 31 December 2009, to be false or misleading in any material respect.

On behalf of the Board of Directors

Sat Pal Khattar
Chairman

Quek Chee Hoon
Group President &
Chief Executive Officer

Singapore
5 February 2010

GuocoLand Limited
(REG. NO. 197600660W)

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2009

1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group Second Quarter Ended 31/12/2009 S$'000	Group Second Quarter Ended 31/12/2008 S$'000	Increase/ (Decrease) %	Group Half Year Ended 31/12/2009 S$'000	Group Half Year Ended 31/12/2008 S$'000	Increase/ (Decrease) %
Revenue	363,727	94,636	284	459,424	247,742	85
Cost of sales	(250,510)	(75,564)	232	(314,553)	(195,909)	61
Gross profit	113,217	19,072	494	144,871	51,833	179
Other income	1,512	7,017	(78)	12,078	10,609	14
Administrative expenses	(13,113)	(8,981)	46	(22,774)	(18,012)	26
Other expenses	(5,720)	(8,268)	(31)	(8,894)	(30,581)	(71)
Finance costs	(8,781)	(7,899)	11	(18,579)	(15,009)	24
Share of profit (net of tax)						
- associates	960	4,248	(77)	1,575	4,521	(65)
- jointly-controlled entities	503	322	56	1,392	1,995	(30)
Profit before income tax	88,578	5,511	N/M	109,669	5,356	N/M
Income tax expense	(25,515)	(3,642)	N/M	(33,089)	(5,820)	469
Profit/(Loss) for the period	63,063	1,869	N/M	76,580	(464)	N/M
Attributable to:						
Equity holders of the Company	**60,411**	**861**	**N/M**	**72,782**	**(1,966)**	**N/M**
Minority interests	2,652	1,008	163	3,798	1,502	153
Profit/(Loss) for the period	63,063	1,869	N/M	76,580	(464)	N/M

N/M : Not meaningful.

1(a)(i) Breakdown and explanatory notes to the income statement:-

	Group Second Quarter Ended 31/12/2009 S$'000	Group Second Quarter Ended 31/12/2008 S$'000	Increase/ (Decrease) %	Group Half Year Ended 31/12/2009 S$'000	Group Half Year Ended 31/12/2008 S$'000	Increase/ (Decrease) %
Investment profit	-	-	-	-	132	(100)
Other income including interest income	482	2,406	(80)	2,049	3,996	(49)
Depreciation of property, plant and equipment	(1,538)	(989)	56	(2,748)	(1,969)	40
Gain on disposal of property, plant and equipment	92	-	N/M	103	34	203
Provision for doubtful receivables	-	-	-	-	(9)	N/M
Receivables written off	(193)	-	N/M	(193)	-	N/M
Writeback of provision for foreseeable losses on development properties	-	-	-	279	-	N/M
Mark-to-market gain/(loss) on derivative financial instruments	2,576	(4,912)	N/M	153	(7,550)	N/M
Net foreign exchange (loss)/gain	(307)	(2,856)	(89)	3,218	(22,090)	N/M
Adjustments for over/(under) provision of tax in respect of prior years	63	(1)	N/M	(482)	42	N/M

N/M : Not meaningful.

Exceptional and Extraordinary Items

There were no exceptional and extraordinary items during the financial period.

1(b)(i) A balance sheet (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group As At 31/12/2009 S$'000	Group As At 30/06/2009 S$'000	Company As At 31/12/2009 S$'000	Company As At 30/06/2009 S$'000
Non-current assets				
Property, plant and equipment	104,428	159,678	-	-
Investment properties	421,341	367,678	-	-
Interests in subsidiaries	-	-	2,611,387	2,739,797
Interests in associates and jointly-controlled entities	189,044	187,528	7,749	7,094
Amounts due from minority shareholders of subsidiaries	1,930	1,992	-	-
Investment securities	2,493	2,219	-	-
Deferred tax assets	470	487	-	-
	719,706	719,582	2,619,136	2,746,891
Current assets				
Inventories	4,077,127	4,397,094	-	-
Trade and other receivables	373,272	161,553	1,255	30,368
Cash and cash equivalents	710,997	581,796	95,767	65,772
	5,161,396	5,140,443	97,022	96,140
Total assets	**5,881,102**	**5,860,025**	**2,716,158**	**2,843,031**
Equity attributable to equity holders of the Company				
Share capital	1,394,047	1,394,047	1,394,047	1,394,047
Reserves	535,800	549,635	83,461	116,179
	1,929,847	1,943,682	1,477,508	1,510,226
Minority interests	120,122	120,818	-	-
Total equity	2,049,969	2,064,500	1,477,508	1,510,226
Non-current liabilities				
Amounts due to subsidiaries	-	-	147,221	149,955
Interest bearing loans and borrowings	1,550,081	1,955,183	465,568	445,780
Deferred tax liabilities	35,360	35,434	-	-
	1,585,441	1,990,617	612,789	595,735
Current liabilities				
Trade and other payables	889,723	830,838	5,157	8,005
Interest bearing loans and borrowings – current portion	1,283,080	931,349	609,859	721,657
Current tax payable	72,889	42,721	10,845	7,408
	2,245,692	1,804,908	625,861	737,070
Total liabilities	3,831,133	3,795,525	1,238,650	1,332,805
Total equity and liabilities	**5,881,102**	**5,860,025**	**2,716,158**	**2,843,031**

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/12/2009 (S$'000)		As at 30/06/2009 (S$'000)	
Secured	Unsecured	Secured	Unsecured
337,040	946,040	60,738	870,611

Amount repayable after one year

As at 31/12/2009 (S$'000)		As at 30/06/2009 (S$'000)	
Secured	Unsecured	Secured	Unsecured
931,650	618,431	1,357,758	597,425

Details of any collateral

The Group's assets pledged/mortgaged to secure loan facilities granted to the Group are as follows:-

	Group As At 31/12/2009 S$'000	**Group As At 30/06/2009 S$'000**
At carrying amounts:-		
Property, plant and equipment	61,869	116,198
Investment properties	69,030	15,214
Inventories	2,211,388	2,383,794

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group Second Quarter Ended 31/12/2009 S$'000	Group Second Quarter Ended 31/12/2008 S$'000	Group Half Year Ended 31/12/2009 S$'000	Group Half Year Ended 31/12/2008 S$'000
Operating activities				
Profit before income tax	88,578	5,511	109,669	5,356
Adjustments for:-				
Amortisation of transaction costs of convertible bonds	332	250	667	500
Depreciation of property, plant and equipment	1,538	989	2,748	1,969
Gain on disposal of property, plant and equipment	(92)	-	(103)	(34)
Share of profit of associates (net of tax)	(960)	(4,248)	(1,575)	(4,521)
Share of profit of jointly-controlled entities (net of tax)	(503)	(322)	(1,392)	(1,995)
Finance costs	8,781	7,899	18,579	15,009
Interest income	(482)	(2,406)	(2,049)	(3,996)
Dividend income	-	-	-	(132)
Writeback of provision for foreseeable losses on development properties	-	-	(279)	-
Mark-to-market (gain)/loss on derivative financial instruments	(2,576)	4,912	(153)	7,550
Property, plant and equipment written off	6	-	6	-
Share option expense	1,047	123	1,670	978
	7,091	7,197	18,119	15,328
Operating profit before working capital changes	95,669	12,708	127,788	20,684
Changes in working capital:-				
Inventories	175,410	(17,919)	291,822	22,147
Trade and other receivables	(171,663)	11,802	(219,042)	(30,150)
Trade and other payables	55,302	14,700	65,322	(13,813)
Balances with holding companies and related corporations	2,776	(5,080)	2,741	(4,055)
	61,825	3,503	140,843	(25,871)
Cash from/(used in) operations	157,494	16,211	268,631	(5,187)
Income taxes received/(paid)	2,048	(2,759)	1,037	(1,998)
Consideration received upon exercise of share options	3,957	-	11,521	2,974
Cash flows from operating activities	163,499	13,452	281,189	(4,211)

	Group Second Quarter Ended 31/12/2009 S$'000	Group Second Quarter Ended 31/12/2008 S$'000	Group Half Year Ended 31/12/2009 S$'000	Group Half Year Ended 31/12/2008 S$'000
Investing activities				
Proceeds from disposal of property, plant and equipment	73	1	117	42
Purchase of property, plant and equipment	(922)	(1,444)	(1,922)	(2,996)
Increase in investment properties under development	(224)	-	(432)	-
Dividends received	-	-	-	132
Interests in associates and jointly-controlled entities	(1,161)	(168)	(100)	(44)
Net cash outflow on acquisition of additional interest in associate	-	-	(87)	-
Net cash outflow on acquisition of interest in subsidiary	-	-	-	(81)
Cash flows from investing activities	(2,234)	(1,611)	(2,424)	(2,947)
Financing activities				
Dividends paid	(41,446)	(65,744)	(41,446)	(65,744)
Dividends paid to minority shareholders of subsidiary	(1,317)	(1,342)	(1,317)	(1,342)
Interest paid	(22,063)	(20,852)	(37,702)	(31,977)
Interest received	1,067	2,517	2,611	3,867
Fixed deposits pledged	-	-	(60)	-
Proceeds from loan by intermediate holding company	-	-	145,760	-
Proceeds from bank loans	16,073	295,960	72,346	406,170
Repayment of bank loans	(295,474)	(56,906)	(313,440)	(181,966)
Proceeds from short-term notes	-	-	40,000	-
Repayment of medium-term notes	-	(220,000)	-	(220,000)
Cash flows from financing activities	(343,160)	(66,367)	(133,248)	(90,992)
Net (decrease)/increase in cash and cash equivalents	(181,895)	(54,526)	145,517	(98,150)
Cash and cash equivalents at beginning of the period	892,960	620,664	577,687	651,848
Exchange differences on translation of balances held in foreign currency	(4,147)	3,230	(16,286)	15,670
Cash and cash equivalents at end of the period	706,918	569,368	706,918	569,368

Cash and cash equivalents comprise cash in hand, bank balances and deposits with financial institutions. For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude cash collaterals and are presented net of bank overdrafts which are payable on demand and form an integral part of the Group's cash management.

1(d) Consolidated Statement of Comprehensive Income

	Group Second Quarter Ended 31/12/2009 S$'000	Group Second Quarter Ended 31/12/2008 S$'000	Group Half Year Ended 31/12/2009 S$'000	Group Half Year Ended 31/12/2008 S$'000
Profit/(Loss) for the period	63,063	1,869	76,580	(464)
Other comprehensive income:				
Translation differences relating to financial statements of foreign subsidiaries and associates	(6,700)	3,203	(20,870)	12,236
Exchange differences on monetary items forming part of net investments in foreign subsidiaries and associates	(11,589)	11,919	(39,582)	80,943
Change in fair value of available-for-sale securities	(63)	(395)	286	(793)
Other comprehensive income/(expense) for the period, net of tax	(18,352)	14,727	(60,166)	92,386
Total comprehensive income/(expense) for the period	44,711	16,596	16,414	91,922
Attributable to:				
Equity holders of the Company	42,387	15,632	14,420	90,267
Minority interests	2,324	964	1,994	1,655
Total comprehensive income/(expense) for the period	44,711	16,596	16,414	91,922

1(e)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the Half Year ended 31 December 2009

	Share Capital $'000	Other Reserves* $'000	Accumulated Profits $'000	Total $'000	Minority Interests $'000	Total Equity $'000
Group						
At 1 July 2009	**1,394,047**	**(27,342)**	**576,977**	**1,943,682**	**120,818**	**2,064,500**
Total comprehensive income/(expense) for the period	**-**	**(58,362)**	**72,782**	**14,420**	**1,994**	**16,414**
Transfer of shares to employees upon exercise of share options	-	15,372	-	15,372	-	15,372
Value of employee services received for issue of share options	-	1,670	-	1,670	-	1,670
Excess of purchase cost over consideration received from employees upon exercise of share options	-	(3,851)	-	(3,851)	-	(3,851)
Acquisition of additional interest in subsidiary	-	-	-	-	(1,373)	(1,373)
Dividends	-	-	(41,446)	(41,446)	(1,317)	(42,763)
At 31 December 2009	**1,394,047**	**(72,513)**	**608,313**	**1,929,847**	**120,122**	**2,049,969**
At 1 July 2008	**1,394,047**	**(131,396)**	**712,924**	**1,975,575**	**152,956**	**2,128,531**
Total comprehensive income/(expense) for the period	**-**	**92,233**	**(1,966)**	**90,267**	**1,655**	**91,922**
Transfer of shares to employees upon exercise of share options	-	3,946	-	3,946	-	3,946
Value of employee services received for issue of share options	-	978	-	978	-	978
Excess of purchase cost over consideration received from employees upon exercise of share options	-	(972)	-	(972)	-	(972)
Acquisition of additional interest in subsidiary	-	-	-	-	(217)	(217)
Dividends	-	-	(65,744)	(65,744)	(1,342)	(67,086)
At 31 December 2008	**1,394,047**	**(35,211)**	**645,214**	**2,004,050**	**153,052**	**2,157,102**

* Include reserve for own shares, share option reserve, capital reserve, exchange translation reserve, revaluation reserve and mark-to-market reserve.

	Share Capital $'000	Reserves for Own Shares $'000	Share Option Reserve $'000	Capital Reserve $'000	Accumulated Profits $'000	Total Equity $'000
Company						
At 1 July 2009	**1,394,047**	**(139,284)**	**10,107**	**62,094**	**183,262**	**1,510,226**
Total comprehensive expense for the period	**-**	**-**	**-**	**-**	**(4,463)**	**(4,463)**
Transfer of shares to employees upon exercise of share options	-	15,372	-	-	-	15,372
Value of employee services received for issue of share options	-	-	1,670	-	-	1,670
Excess of purchase cost over consideration received from employees upon exercise of share options	-	-	-	(3,851)	-	(3,851)
Dividends	-	-	-	-	(41,446)	(41,446)
At 31 December 2009	**1,394,047**	**(123,912)**	**11,777**	**58,243**	**137,353**	**1,477,508**
At 1 July 2008	**1,394,047**	**(143,230)**	**7,884**	**63,066**	**263,894**	**1,585,661**
Total comprehensive expense for the period	**-**	**-**	**-**	**-**	**(35,318)**	**(35,318)**
Transfer of shares to employees upon exercise of share options	-	3,946	-	-	-	3,946
Value of employee services received for issue of share options	-	-	978	-	-	978
Excess of purchase cost over consideration received from employees upon exercise of share options	-	-	-	(972)	-	(972)
Dividends	-	-	-	-	(65,744)	(65,744)
At 31 December 2008	**1,394,047**	**(139,284)**	**8,862**	**62,094**	**162,832**	**1,488,551**

Statement of Changes in Equity for the Second Quarter ended 31 December 2009

	Share Capital $'000	Other Reserves* $'000	Accumulated Profits $'000	Total $'000	Minority Interests $'000	Total Equity $'000
Group						
At 1 October 2009	**1,394,047**	**(59,493)**	**589,348**	**1,923,902**	**120,488**	**2,044,390**
Total comprehensive income/(expense) for the period	**-**	**(18,024)**	**60,411**	**42,387**	**2,324**	**44,711**
Transfer of shares to employees upon exercise of share options	-	5,314	-	5,314	-	5,314
Value of employee services received for issue of share options	-	1,047	-	1,047	-	1,047
Excess of purchase cost over consideration received from employees upon exercise of share options	-	(1,357)	-	(1,357)	-	(1,357)
Acquisition of additional interest in subsidiary	-	-	-	-	(1,373)	(1,373)
Dividends	-	-	(41,446)	(41,446)	(1,317)	(42,763)
At 31 December 2009	**1,394,047**	**(72,513)**	**608,313**	**1,929,847**	**120,122**	**2,049,969**
At 1 October 2008	**1,394,047**	**(50,105)**	**710,097**	**2,054,039**	**153,647**	**2,207,686**
Total comprehensive income/(expense) for the period	**-**	**14,771**	**861**	**15,632**	**964**	**16,596**
Value of employee services received for issue of share options	-	123	-	123	-	123
Acquisition of additional interest in subsidiary	-	-	-	-	(217)	(217)
Dividends	-	-	(65,744)	(65,744)	(1,342)	(67,086)
At 31 December 2008	**1,394,047**	**(35,211)**	**645,214**	**2,004,050**	**153,052**	**2,157,102**

* Include reserve for own shares, share option reserve, capital reserve, exchange translation reserve, revaluation reserve and mark-to-market reserve.

	Share Capital $'000	Reserves for Own Shares $'000	Share Option Reserve $'000	Capital Reserve $'000	Accumulated Profits $'000	Total Equity $'000
Company						
At 1 October 2009	**1,394,047**	**(129,226)**	**10,730**	**59,600**	**181,823**	**1,516,974**
Total comprehensive expense for the period	**-**	**-**	**-**	**-**	**(3,024)**	**(3,024)**
Transfer of shares to employees upon exercise of share options	-	5,314	-	-	-	5,314
Value of employee services received for issue of share options	-	-	1,047	-	-	1,047
Excess of purchase cost over consideration received from employees upon exercise of share options	-	-	-	(1,357)	-	(1,357)
Dividends	-	-	-	-	(41,446)	(41,446)
At 31 December 2009	**1,394,047**	**(123,912)**	**11,777**	**58,243**	**137,353**	**1,477,508**
At 1 October 2008	**1,394,047**	**(139,284)**	**8,739**	**62,094**	**239,802**	**1,565,398**
Total comprehensive expense for the period	**-**	**-**	**-**	**-**	**(11,226)**	**(11,226)**
Value of employee services received for issue of share options	-	-	123	-	-	123
Dividends	-	-	-	-	(65,744)	(65,744)
At 31 December 2008	**1,394,047**	**(139,284)**	**8,862**	**62,094**	**162,832**	**1,488,551**

1(e)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year. A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

		Second Quarter Ended 31/12/2009
(a)	Issued and fully paid ordinary shares (S$'000):-	
	At 1 October and 31 December 2009	1,394,047
(b)	Issue of Executives' share options:-	
	At 1 October 2009	39,851,350
	Exercise of share options	(3,414,600)
	At 31 December 2009	36,436,750

		As At 31/12/2009	As At 31/12/2008
(c)	No. of shares that would be issued on exercise of all share options and assumed conversion of convertible bonds outstanding at end of the period	161,731,828	160,010,178
	Less : No. of shares that would be transferred by the Trust to eligible employees to satisfy the outstanding share options under the Executives' Share Option Scheme ("ESOS")	(36,436,750)	(34,715,100)
		125,295,078	125,295,078

		As At 31/12/2009	As At 30/06/2009
(d)	No. of issued ordinary shares	887,529,957	887,529,957
	Less : No. of shares held by the Trust for ESOS	(55,203,700)	(65,732,050)
		832,326,257	821,797,907

		As At 31/12/2009
(e)	No. of shares held by the Trust for ESOS:-	
	At 1 July 2009	65,732,050
	Transferred to employees upon exercise of share options	(10,528,350)
	At 31 December 2009	55,203,700

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the most recently audited financial statements of the Group for the financial year ended 30 June 2009.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted Amendments to Financial Reporting Standard 40 *Investment Property* which has been amended to include property that is being constructed or developed for future use as an investment property. Upon adoption of this 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.

Other than the above, the Group has adopted various new/revised Financial Reporting Standards ("FRS") and Interpretations of FRSs which were applicable for financial periods beginning on or after 1 January 2009. These do not have a significant impact on the financial statements of the Group and the Company.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group Second Quarter Ended 31/12/2009	Group Second Quarter Ended 31/12/2008	Group Half Year Ended 31/12/2009	Group Half Year Ended 31/12/2008
Earnings per ordinary share for the period based on the Group's net profit/(loss):-				
a. Based on weighted average number of ordinary shares in issue after adjusting for the shares held by the Trust for Executives' Share Option Scheme (cents)	7.27	0.10	8.79	(0.24)
Weighted average number of ordinary shares ('000)	830,619	821,798	827,855	820,985
b. On a fully diluted basis (cents)	6.99	0.10	8.79	(0.24)
Adjusted weighted average number of ordinary shares ('000)*	955,914	823,276	827,855	825,011

* The Group's net profit/(loss) and weighted average number of ordinary shares have been adjusted for the dilutive effect of potential ordinary shares arising from the exercise of outstanding share options and convertible bonds.

7. Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group As At 31/12/2009 S$	Group As At 30/06/2009 S$	Company As At 31/12/2009 S$	Company As At 30/06/2009 S$
Net asset value per ordinary share based on existing issued share capital after adjusting for the shares held by the Trust for Executives' Share Option Scheme	2.32	2.37	1.78	1.84

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

(i) Half Year Ended 31 December 2009

Income Statement

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

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, the Group launched all remaining units which received an overwhelming response from buyers. The 1,112 unit development is currently almost fully sold. In Shanghai, the Group has sold about 70% of SOHO units in Changfeng project. The Group 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, the Group launched Sophia Residence and Elliot At The East Coast. Strong sales of more than 90% and 70% were registered at both projects respectively. Construction has not commenced for Sophia Residence while Elliot At The East Coast is at an initial phase of construction.

Administrative expenses comprise staff expenses, depreciation, operating lease expenses and other administrative expenses. These expenses increased by 26% to $22.8 million mainly due to higher staff expenses and other administrative expenses.

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

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

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

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

(ii) Second Quarter Ended 31 December 2009

Income Statement

For the second quarter ended 31 December 2009, the Group reported a net profit of $60.4 million compared to $0.9 million in the previous corresponding period. Gross profit increased from $19.1 million to $113.2 million. Revenue and cost of sales were higher at $363.7 million and $250.5 million respectively for this second quarter. Higher profit contribution for the second quarter was mainly from property development projects in China due to strong sales from Ascot Park and sale of an office block in Changfeng project.

Administrative expenses increased by 46% to $13.1 million mainly due to due to higher staff expenses and other administrative expenses.

Share of profit after tax from associates decreased by 77% to $1.0 million due to lower revaluation gains on investment properties recognised by Tower REIT.

Income tax expense increased from $3.6 million to $25.5 milliion primarily due to higher profit contribution from development projects in China.

(iii) Balance sheet as at 31 December 2009

Investment properties increased from $367.7 million to $421.3 million due to the reclassification of properties under development for future use as investment properties from property, plant and equipment upon adoption of Amendments to Financial Reporting Standard 40 Investment Property. Please refer to Section 5 for further details.

Inventories decreased from $4,397.1 million to $4,077.1 million mainly due to proceeds received from sales of development properties in Singapore and China. Trade and other receivables increased from $161.6 million to $373.3 million mainly due to the balance purchase consideration to be received from sale of an office block in Changfeng project. Cash and cash equivalents increased from $581.8 million to $711.0 million mainly due to proceeds received from sales of development properties.

(iv) Current developments

With regard to the acquisition of the Dongzhimen project ("DZM Project") in Beijing, various legal actions taken by GuocoLand (China) Limited, the Group's wholly-owned subsidiary, to defend and protect its 90% interest in the DZM Project are still pending hearing and/or adjudication before PRC courts.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Nil.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

As economic conditions in Asia continue to improve, private home sales in Singapore and China rebounded strongly in the second half of 2009. However, concerns have been raised on potential overheating of economies and possible risks of asset price bubbles.

The Group has nonetheless enjoyed healthy sales in its property development projects in Singapore and China. As part of the on-going review of its strategies, the Group will continuously source for land for development, and prime its launch-ready projects for sale at the right time.

11. Dividend

(a) ***Current Financial Period Reported On***

No dividend was declared for the current financial period reported on.

(b) ***Corresponding Period of the Immediately Preceding Financial Year***

No dividend was declared for the corresponding period of the immediately preceding financial year.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

BY ORDER OF THE BOARD

Dawn Pamela Lum
Group Company Secretary
5 February 2010