

## OVERSEAS REGULATORY ANNOUNCEMENT OF GUOCO GROUP LIMITED

**This announcement is made by BIL Finance Limited (a subsidiary of Guoco Group Limited), the capital notes of which are listed on the New Zealand Stock Exchange, regarding its unaudited financial results for the half year ended 31 December 2005.**

Announcement text      Name of listed issuer: BIL Finance Limited

For Half Year Ended 31 December 2005

This report has been prepared in a manner, which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates and is based on unaudited accounts.

### CONSOLIDATED OPERATING STATEMENT

Current Half Year NZ\$'000; Up/Down %; Previous Corresponding Half Year NZ\$'000

Total operating revenue: \$1,311; Down 90%; \$13,628.

OPERATING SURPLUS BEFORE UNUSUAL ITEMS AND TAX: \$9; Down 89%; \$84.

Unusual items for separate disclosure: Nil.

OPERATING SURPLUS BEFORE TAX: \$9; Down 89%; \$84.

Less tax on operating profit: Nil.

OPERATING SURPLUS AFTER TAX BUT BEFORE MINORITY INTEREST: \$9; Down 89%; \$84.

Less minority interest: Nil.

OPERATING SURPLUS AFTER TAX ATTRIBUTABLE TO MEMBERS OF LISTED INSSUER: \$9; Down 89%; \$84.

Extraordinary items after tax attributable to Members of the Listed Issuer: Nil.

OPERATING SURPLUS AND EXTRAORDINARY ITEMS AFTER TAX ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER: \$9; Down 89%; \$84.

Earnings per share: 0.087 cps; 0.839 cps

Dividends: Nil.

Summary of commentary:

As at 31 December 2005 Capital Notes to the value of \$14,993,000 (31 December 2004 : \$35,053,000) with election dates ranging from 15 October 2006 to 15 October 2007 were held external to the BIL Group of Companies. The Capital Notes pay interest at rates between 8.0% to 9.25% (31 December 2004 : 8.0% to 9.25%).

## **BIL FINANCE LIMITED**

Level 20, ASB Centre  
135 Albert St, Auckland,  
New Zealand

### **PRELIMINARY HALF YEAR REPORT ANNOUNCEMENT**

**For Half Year Ended 31 December 2005**

(referred to in this report as the "current half year")

Preliminary **half year** report on results (including the results for the previous corresponding half year) in accordance with Listing Rule 10.4.2. of the Listing Rules of the New Zealand Exchange Limited.

This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates and is based on **unaudited** financial statements.

The Issuer **does not have** a formally constituted Audit Committee of the Board of Directors.

The Issuer is wholly owned subsidiary of BIL International Limited ("BIL"). The principal activity of the Issuer is to borrow, by way of Capital Notes, and lend at a margin above average cost to BIL Group of Companies. The Issuer has advanced all its monies to BIL Group of Companies in accordance with the terms of the issue of the Capital Notes and accordingly has received interest income on those advances. The advances are on a subordinated basis, repayable on demand, and no amounts were in arrears at the above date.

All of the Capital Notes issued by the Issuer have been guaranteed by BIL on a subordinated basis.



**BIL FINANCE LIMITED****Statement  
Financial Performance****1 STATEMENT OF FINANCIAL PERFORMANCE****1.1 OPERATING REVENUE**

- (a) Trading Revenue
- (b) Other Revenue
- (c) Total Operating Revenue

**1.2 OPERATING SURPLUS BEFORE TAXATION**

- (a) Less taxation on operating result

**1.3 OPERATING SURPLUS AFTER TAX**

- (a) Extraordinary Items after Tax [detail in Item 3]
- (b) Unrealised net change in value of investment properties

**1.4 NET SURPLUS FOR THE PERIOD**

- (a) Net Surplus attributable to minority interests

**1.5 NET SURPLUS ATTRIBUTABLE TO MEMBERS**

OF THE LISTED ISSUER

Current half Year \$NZ'000	Down %	Previous corresponding half year \$NZ'000
1,311	90%	13,628
NIL	NIL	NIL
1,311	90%	13,628
1,311	90%	13,628
9	89%	84
NIL	NIL	NIL
9	89%	84
NIL	NIL	NIL
NIL	NIL	NIL
9	89%	84
NIL	NIL	NIL
9	89%	84

**Statement of  
Financial Performance****2 DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/  
EXPENSES FOR HALF YEAR****2.1 INCLUDED IN CONSOLIDATED STATEMENT OF FINANCIAL  
PERFORMANCE**

- (a) Interest revenue included in Item 1.1(b)
- (b) Unusual items for separate disclosure (detail - Item 3)
- (c) Equity earnings (gain/loss) (detail - Item 16)
- (d) Interest expense included in Item 1.2 (include all forms of interest, etc)
- (e) Leasing and renting expenses
- (f) Depreciation including all forms of amortisation and writing down of investment
- (g) Diminution in the value of assets (other than depreciation)
- (h) Amortisation of goodwill
- (i) Amortisation of other intangible assets
- (j) Impairment of goodwill
- (k) Impairment of other intangible assets

**2.2 SUPPLEMENTARY ITEMS**

- (a) Interest costs excluded from Item 2.1(d) and capitalised
- (b) Outlays (other than those arising from the acquisition of an existing business) capitalised in intangibles
- (c) Unrecognised differences between the carrying value and market value of publicly traded investments

Current half year \$NZ'000	Previous corresponding half year \$NZ'000
1,311	13,628
NIL	NIL
NIL	NIL
1,165	13,430
NIL	NIL
5	77
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL

### 3 DISCONTINUED, UNUSUAL (INCLUDING NON RECURRING), AND EXTRAORDINARY ITEMS OF THE GROUP

#### DETAILS AND COMMENTS

Discontinued Activities:

(Disclose Operating Revenue and Operating Surplus)

#### TOTAL DISCONTINUED ACTIVITIES

Material Unusual (including Non Recurring) Items (included in 1.2)

Description:

#### TOTAL MATERIAL NON RECURRING ITEMS

Extraordinary Items (Ref. Item 1.3(a))

Description:

#### TOTAL EXTRAORDINARY ITEMS

#### Group - Current Half Year

Operating Revenue \$NZ'000	Operating Surplus \$NZ'000
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL

### 4 STATEMENT OF MOVEMENTS IN EQUITY

#### 4.1 NET SURPLUS ATTRIBUTABLE TO MEMBERS OF LISTED ISSUER

(a) Net Surplus attributable to minority interest

#### 4.2 OTHER RECOGNISED REVENUE AND EXPENSES

(a) \*Increases (decreases) in revaluation reserves

(b) Current Translation Differences

(c) Minority interest in other recognised revenue and expenses

#### 4.3 TOTAL RECOGNISED REVENUES AND EXPENSES

#### 4.4 OTHER MOVEMENTS

(a) Contributions by Owners

(b) Distributions to Owners

(c) Other

#### 4.5 EQUITY AT BEGINNING OF HALF YEAR

#### 4.6 EQUITY AT END OF HALF YEAR

#### Statement of Movements In Equity

Current half year \$NZ'000	Previous corresponding half year \$NZ'000
9	84
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
3,328	3,163
3,337	3,247

### 5 EARNINGS PER SECURITY

Calculation of basic and fully diluted, EPS in accordance with IAS33: Earnings Per Share

(a) Basic EPS

(b) Diluted EPS (if materially different from (a))

#### Earnings Per Security

Current half year \$NZ'000	Previous corresponding half year \$NZ'000
0.087	0.839

**6 MATERIAL ACQUISITIONS OF SUBSIDIARIES**

- (a) Name of subsidiary or group of subsidiaries
- (b) Percentage of ownership acquired
- (c) Contribution to consolidated net \*Surplus (Deficit) (Item 1.4) NA
- (d) Date from which such contribution has been calculated

**7 MATERIAL DISPOSALS OF SUBSIDIARIES (See Note (VII) attached)**

- (a) Name of subsidiary or group of subsidiaries
- (b) Contribution to consolidated net \*Surplus (Deficit) (Item 1.4)
- (c) Date from which such contribution has been calculated
- (d) Contribution to consolidated net \*Surplus (Deficit) (Item 1.4) for the previous corresponding full year NA
- (e) Contribution to consolidated net \*Surplus (Deficit) (Item 1.4) from sale of subsidiary

**8 REPORTS FOR INDUSTRY AND GEOGRAPHICAL SEGMENTS**

The principal activity of the Issuer is to borrow and lend at a margin above average cost to BIL Group of Companies.  
 The Issuer operates principally in New Zealand.

## Statement of Financial Position

	At end of current half Year \$NZ'000	As shown in last Annual Report \$NZ'000	As shown in last half yearly report \$NZ'000
<b>9 CURRENT ASSETS:</b>			
(a) Cash	NIL	NIL	NIL
(b) Trade receivables	NIL	NIL	NIL
(c) Investments	NIL	NIL	NIL
(d) Inventories	NIL	NIL	NIL
(e) Prepaid Interest and Capitalised Issue Cost	5	NIL	6
<b>TOTAL CURRENT ASSETS</b>	<b>5</b>	<b>NIL</b>	<b>6</b>
<b>9.1 NON-CURRENT ASSETS</b>			
(a) Trade receivables			
(b) Investments	NIL	NIL	NIL
(c) Inventories	NIL	NIL	NIL
(d) Property, plant and equipment	NIL	NIL	NIL
(e) Goodwill	NIL	NIL	NIL
(f) Deferred Taxation Assets	NIL	NIL	NIL
(g) Other Intangible Assets	NIL	NIL	NIL
(h) Advances to BIL Group of Companies	18,644	39,067	42,493
<b>9.2 TOTAL NON-CURRENT ASSETS</b>	<b>18,644</b>	<b>39,067</b>	<b>42,493</b>
<b>9.3 TOTAL ASSETS</b>	<b>18,649</b>	<b>39,067</b>	<b>42,499</b>
<b>9.4 CURRENT LIABILITIES</b>			
(a) Trade Creditors			
(b) Income in advance, current	NIL	NIL	NIL
(c) Capital Notes	7,210	20,060	20,060
(d) Unsecured loans	NIL	NIL	NIL
(e) Provisions, current	NIL	NIL	NIL
(f) Accounts payable	319	686	4,120
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,529</b>	<b>20,746</b>	<b>24,180</b>
<b>9.5 NON-CURRENT LIABILITIES</b>			
(a) Accounts payable, non-current			
(b) Capital notes	7,783	14,993	14,993
(c) Unsecured loans	NIL	NIL	NIL
(d) Provisions, non-current	NIL	NIL	NIL
(e) Deferred Taxation Liability, non-current	NIL	NIL	NIL
(f) Other liabilities, non-current	NIL	NIL	NIL
<b>9.6 TOTAL NON-CURRENT LIABILITIES</b>	<b>7,783</b>	<b>14,993</b>	<b>14,993</b>
<b>9.7 TOTAL LIABILITIES</b>	<b>15,312</b>	<b>35,739</b>	<b>39,173</b>
<b>9.8 NET ASSETS</b>	<b>3,337</b>	<b>3,328</b>	<b>3,326</b>
<b>9.9 SHAREHOLDERS' EQUITY</b>			
(a) Share capital*	NIL	NIL	NIL
(b) Retained Surplus	3,337	3,328	3,326
<b>9.10 SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER</b>	<b>3,337</b>	<b>3,328</b>	<b>3,326</b>
(a) Minority equity interests in subsidiaries	NIL	NIL	NIL
<b>9.11 TOTAL SHAREHOLDERS' EQUITY</b>	<b>3,337</b>	<b>3,328</b>	<b>3,326</b>
(a) Returns on Assets (%) (EBIT divided by Total Assets)	NIL	NIL	NIL
(b) Return on Equity (%) (Net Income divided by Shareholders' Equity)	NIL	NIL	NIL
(c) Debt to Equity Ratio (%) (Total Liabilities divided by Shareholders' Equity)	NIL	NIL	NIL

\* The paid in share capital of the issuer is NZ\$100

		<b>Statement of cash flows for half year</b>	
		Current half year \$NZ'000	Corresponding half year \$NZ'000
<b>10 CASH FLOWS RELATING TO OPERATING ACTIVITIES</b>			
(a)	Receipts from customers	NIL	NIL
(b)	Interest received	1,311	13,628
(c)	Dividends received	NIL	NIL
(d)	Payments to suppliers and employees	(147)	(107)
(e)	Interest paid	(1,527)	(15,926)
(f)	Income taxes paid	NIL	NIL
(g)	Other cash flows relating to operating activities	NIL	NIL
	<b>NET OPERATING FLOWS</b>	<b>(363)</b>	<b>(2,405)</b>
<b>11 CASH FLOWS RELATING TO INVESTING ACTIVITIES</b>			
(a)	Cash proceeds from sale of property, plant and equipment	NIL	NIL
(b)	Cash proceeds from sale of equity investments	NIL	NIL
(c)	Loans repaid by other entities	NIL	NIL
(d)	Cash paid for purchases of property, plant and equipment	NIL	NIL
(e)	Interest paid - capitalised	NIL	NIL
(f)	Cash paid for purchases of equity investments	NIL	NIL
(g)	Advances to BIL Group of Companies	20,423	514,559
(h)	Other cash flows relating to operating activities	NIL	NIL
	<b>NET INVESTING CASH FLOWS</b>	<b>20,423</b>	<b>514,559</b>
<b>12 CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>			
(a)	Cash proceeds from issue of Capital Notes	NIL	NIL
(b)	Borrowings	NIL	NIL
(c)	Repayment of Capital Notes	20,060	512,154
(d)	Dividends paid	NIL	NIL
(e)	Other cash flows relating to operating activities	NIL	NIL
	<b>NET FINANCING CASH FLOWS</b>	<b>20,060</b>	<b>512,154</b>
<b>13 NET INCREASE (DECREASE IN CASH HELD)</b>			
(a)	Cash at beginning of half year	NIL	NIL
(b)	Exchange rate adjustments to Item 12.3(a) above	NIL	NIL
(c)	<b>CASH AT END OF HALF YEAR</b>	<b>NIL</b>	<b>NIL</b>
<b>14 NON-CASH FINANCING AND INVESTING ACTIVITIES : NIL (2004 : NIL)</b>			

**15 RECONCILIATION OF CASH**

For the purposes of the above Statement of cash flows, cash includes:

Cash at the end of the half year as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows:

Cash on hand and at bank  
 Deposits at call  
 Bank overdraft  
 Other  
**Total = Cash at End of \*Half/half Year (Item 13(c) above)**

Current half Year NZ\$'000	Previous Corresponding half year NZ\$'000
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL

**16 EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES**

**16.1 GROUP SHARE OF RESULTS OF ASSOCIATES**

- (a) **OPERATING SURPLUS (DEFICIT) BEFORE TAX**
- (b) Less tax
- (c) **OPERATING SURPLUS (DEFICIT) AFTER TAX**
  - (i) Extraordinary items
- (d) **NET SURPLUS (DEFICIT) AND EXTRAORDINARY ITEMS AFTER TAX**

**Equity Earnings**

Current half year NZ\$'000	Previous corresponding half year NZ\$'000
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL

**16.2 MATERIAL INTERESTS IN CORPORATIONS NOT BEING SUBSIDIARIES**

- (a) The group has a material (from group's viewpoint) interest in the following corporations:

Name	Percentage of ordinary shares held at end of half Year		Contribution to net surplus (deficit) (Item 1.5)	
	Current half Year	Previous Corresponding half Year	Current half Year NZ\$'000	Previous Corresponding half Year NZ\$'000
<b>Equity Accounted Associates</b>	NIL	NIL	<i>Equity Accounted in current year</i>	
			NIL	NIL
<b>Other Material Interests</b>	NIL	NIL	<i>Not Equity Accounted in current year</i>	
			NIL	NIL



## (b) Investments in Associates

Carrying value of investments in associates beginning of half year  
 Share of changes in associates' post acquisition surpluses/and reserves:  
 - Retained surplus  
 - Reserves  
 Net goodwill amortisation and impairment adjustments in the period  
 Less Dividends received in the period  
 Equity carrying value of investments at the end of half year  
 Amount of goodwill included in carrying value at end of that half year

Current half Year \$NZ'000	Previous Corresponding half year \$NZ'000
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL
NIL	NIL

## 17 ISSUED AND QUOTED SECURITIES AT END OF CURRENT HALF YEAR

Category of Securities	Number		Paid-Up Value (If not half paid)
	Issued	Quoted	
<b>ORDINARY SHARES:</b>	100	NIL	
Issued during current half year	NIL	NIL	
			<b>Election Date</b>
<b>CAPITAL NOTES</b>	7,210,000	7,210,000	15/10/06
	7,783,000	7,783,000	15/10/07

On 17 October 2005, BIL exercised its option, under condition 4.5 of the conditions applicable to those Capital Notes, to purchase for cash the BIL Finance Limited Capital Notes (20,060,000 units) on issue with an election date of 15 October 2005. Those purchased 2005 Capital Notes have been cancelled.

## 18 COMMENTS BY DIRECTORS

## (a) Material factors affecting the revenues and expenses of the group for the current half year

Cancellation of the above Capital Notes during the period has resulted in a reduction in interest expense for the period.

Corresponding repayment of advances from the Company to BIL Group of Companies has resulted in a reduction in interest revenue.

## (b) Significant trends or events since end of current half year

NIL

(c) Changes in accounting policies since last Annual Report and/or last Half Yearly to be disclosed  
NIL

(d) Critical Accounting Policies - Management believes the following to be critical accounting policies. That is they are both important to the portrayal of the Issuer's financial condition and results, as they require management to make judgments and estimates about matters that they are inherently uncertain  
NIL

(e) Management's discussion and analysis of financial condition, result and/or operations (optional) - this section should contain forward looking statements that should outline where these involve risk and uncertainty  
NIL

(f) Other comments

As at 31 December 2005 Capital Notes to the value of \$14,993,000 (31 December 2004 : \$35,053,000) with election dates ranging from 15 October 2006 to 15 October 2007 were held external to the BIL Group. The Capital Notes pay interest at rates between 8.0% and 9.25% (31 December 2004 : 8.0% and 9.25%)

**19 DIVIDEND**

(a) Dividend Yield as at balance date (%) (Annual dividend per share divided by price per share)  
No dividend has been authorised by the Board.

(b) Tax Adjusted Dividend Yield as at balance date (%) (Annual net dividend per share divided by price per share)  
NIL

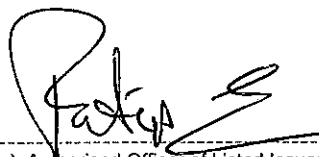
**20 ANNUAL MEETING (if full year report)**

(a) To be held at : NIL

(b) Date : Time :

(c) Approximate date of availability of Annual Report

This full year report was approved by resolution of the Board of Directors on 27 February 2006



(signed by) Authorised Officer of Listed Issuer

27 February 2006

(date)