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**ANNOUNCEMENT OF INTERIM RESULTS
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2014**

	Six months ended 31 December		
	2014 HK\$'M	2013 HK\$'M	Increase /(decrease)
Turnover	15,654	16,678	(6%)
Revenue	8,752	7,677	14%
Profit attributable to equity shareholders of the Company	1,620	3,488	(54%)
	HK\$	HK\$	
Earnings per share	4.98	10.73	(54%)
Interim dividend per share	1.00	1.00	-
	As at 31 December 2014 HK\$	As at 30 June 2014 HK\$	
Equity per share attributable to equity shareholders of the Company	169.50	170.93	(1%)

RESULTS

The unaudited consolidated results of Guoco Group Limited (the “Company”) and its subsidiaries (together the “Group”) for the six months ended 31 December 2014 together with comparative figures for the corresponding period last year are as follows:

CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2014 - Unaudited

	Note	2014 HK\$'000	2013 HK\$'000
Turnover	2 & 3	<u>15,653,592</u>	<u>16,677,565</u>
Revenue	2 & 3	8,751,817	7,677,272
Cost of sales		(4,365,179)	(4,087,357)
Other attributable costs		<u>(151,903)</u>	<u>(113,132)</u>
		4,234,735	3,476,783
Other revenue		249,566	259,553
Other net income	4	599,934	3,087,706
Administrative and other operating expenses		<u>(2,665,279)</u>	<u>(2,858,192)</u>
Profit from operations before finance costs		2,418,956	3,965,850
Finance costs	2(b) & 5(a)	<u>(575,831)</u>	<u>(737,523)</u>
Profit from operations	2	1,843,125	3,228,327
Share of profits of associates and joint ventures		482,496	530,326
Profit for the period before taxation	2 & 5	2,325,621	3,758,653
Tax expenses	6	<u>(316,230)</u>	<u>(29,815)</u>
Profit for the period		<u>2,009,391</u>	<u>3,728,838</u>
Attributable to:			
Equity shareholders of the Company		1,620,230	3,487,623
Non-controlling interests		<u>389,161</u>	<u>241,215</u>
Profit for the period		<u>2,009,391</u>	<u>3,728,838</u>
Earnings per share		HK\$	HK\$
Basic	8	<u>4.98</u>	<u>10.73</u>
Diluted	8	<u>4.98</u>	<u>10.73</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2014 - Unaudited

	2014 HK\$'000	2013 HK\$'000
Profit for the period	2,009,391	3,728,838
Other comprehensive income for the period (after tax and reclassification adjustments)		
Items that will not be reclassified to profit or loss:		
Actuarial (losses)/gains on defined benefit obligation	(6,708)	1,217
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	(2,028,980)	1,075,625
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	126,636	48,184
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries	(178)	(7,901)
Changes in fair value of cash flow hedge	(37,233)	-
Changes in fair value of available-for-sale financial assets	57,839	1,960,027
Transfer to profit or loss on disposal of available-for-sale financial assets	13,052	(129,571)
Release of valuation reserve upon disposal of properties	-	(132)
Share of other comprehensive income of associates	(56,978)	21,564
	(1,925,842)	2,967,796
Other comprehensive income for the period, net of tax	(1,932,550)	2,969,013
Total comprehensive income for the period	76,841	6,697,851
Total comprehensive income for the period attributable to:		
Equity shareholders of the Company	492,238	6,117,379
Non-controlling interests	(415,397)	580,472
	76,841	6,697,851

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	At 31 December 2014 (Unaudited) Note HK\$'000	At 30 June 2014 (Audited) HK\$'000
NON-CURRENT ASSETS		
Fixed assets		
- Investment properties	14,540,427	14,695,461
- Other property, plant and equipment	14,363,428	15,475,000
Interest in associates and joint ventures	7,876,011	8,040,574
Available-for-sale financial assets	14,100,710	14,027,703
Intangible assets	8,957,953	9,837,415
Goodwill	1,278,810	1,395,616
	<u>61,117,339</u>	<u>63,471,769</u>
CURRENT ASSETS		
Development properties	31,052,423	27,729,083
Properties held for sale	3,254,969	3,772,189
Trade and other receivables	9 3,421,507	5,469,844
Trading financial assets	9,409,366	14,294,468
Cash and short term funds	20,907,428	14,006,644
	<u>68,045,693</u>	<u>65,272,228</u>
CURRENT LIABILITIES		
Trade and other payables	10 6,619,149	5,984,966
Bank loans and other borrowings	15,871,307	18,917,349
Taxation	961,913	902,676
Provisions and other liabilities	111,948	148,458
	<u>23,564,317</u>	<u>25,953,449</u>
NET CURRENT ASSETS	<u>44,481,376</u>	<u>39,318,779</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>105,598,715</u>	<u>102,790,548</u>
NON-CURRENT LIABILITIES		
Bank loans and other borrowings	33,568,963	29,645,479
Amount due to non-controlling interests	909,526	896,653
Provisions and other liabilities	600,144	703,939
Deferred tax liabilities	546,919	484,825
	<u>35,625,552</u>	<u>31,730,896</u>
NET ASSETS	<u>69,973,163</u>	<u>71,059,652</u>
CAPITAL AND RESERVES		
Share capital	1,275,948	1,275,200
Reserves	54,499,029	54,968,924
Total equity attributable to equity shareholders of the Company	55,774,977	56,244,124
Non-controlling interests	14,198,186	14,815,528
TOTAL EQUITY	<u>69,973,163</u>	<u>71,059,652</u>

Notes:

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and 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 2013/14 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2014/15 annual financial statements.

The HKICPA has issued a number of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), which term collectively includes HKASs and Interpretations, that are first effective for the current accounting period of the Group. The adoption of the new standards, amendments and interpretations had no material impact on the results and financial position of the Group. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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 2013/14 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for the 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 2014 included in the interim financial report is extracted from the Company's statutory financial statements. Statutory financial statements for the year ended 30 June 2014 can be obtained on request at the Group Company Secretariat, 50/F The Center, 99 Queen's Road Central, Hong Kong, or from the Company's website <http://www.guoco.com>. The auditors expressed an unqualified opinion on those financial statements in their report dated 29 August 2014.

2. SEGMENT REPORTING

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

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

Performance is evaluated on the basis of profit or loss from operations before taxation. Inter-segment pricing is determined on an arm's length basis. The Group's measurement methods used to determine reported segment profit or loss remain unchanged from the financial year 2013/14.

2. SEGMENT REPORTING (cont'd)

Information regarding the Group's reportable segments for the purposes of resource allocation and assessment of segment performance for the period is set out below.

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

	Principal investment HK\$'000	Property development and investment HK\$'000	Hospitality and leisure business HK\$'000	Securities, commodities and brokerage HK\$'000	Oil and gas HK\$'000	Financial services HK\$'000	Total HK\$'000
For the six months ended 31 December 2014							
Turnover	7,350,419	2,263,454	6,004,285	35,434	-	-	15,653,592
Revenue from external customers	448,644	2,263,454	6,004,285	35,434	-	-	8,751,817
Inter-segment revenue	12,114	3,994	6,034	4,436	-	-	26,578
Reportable segment revenue	460,758	2,267,448	6,010,319	39,870	-	-	8,778,395
Operating profit	948,047	517,852	787,900	6,196	168,011	-	2,428,006
Finance costs	(169,453)	(205,810)	(201,948)	(6,165)	(1,505)	-	(584,881)
Share of profits/(losses) of associates and joint ventures	-	(4,762)	-	-	-	487,258	482,496
Profit before taxation	778,594	307,280	585,952	31	166,506	487,258	2,325,621
For the six months ended 31 December 2013							
Turnover	9,397,853	1,312,219	5,925,753	41,740	-	-	16,677,565
Revenue from external customers	397,560	1,312,219	5,925,753	41,740	-	-	7,677,272
Inter-segment revenue	12,135	4,528	-	1,396	-	-	18,059
Reportable segment revenue	409,695	1,316,747	5,925,753	43,136	-	-	7,695,331
Operating profit	2,683,997	793,904	318,794	13,089	158,703	-	3,968,487
Finance costs	(146,382)	(290,089)	(297,191)	(4,939)	(1,559)	-	(740,160)
Share of profits of associates and joint ventures	-	19,765	-	-	-	510,561	530,326
Profit before taxation	2,537,615	523,580	21,603	8,150	157,144	510,561	3,758,653

2. SEGMENT REPORTING (cont'd)

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

Revenue

	Six months ended 31 December	
	2014	2013
	HK\$'000	HK\$'000
Reportable segment revenue	8,778,395	7,695,331
Elimination of inter-segment revenue	<u>(26,578)</u>	<u>(18,059)</u>
Consolidated revenue (note 3)	<u><u>8,751,817</u></u>	<u><u>7,677,272</u></u>

Finance costs

	Six months ended 31 December	
	2014	2013
	HK\$'000	HK\$'000
Reportable finance costs	584,881	740,160
Elimination of inter-segment finance costs	<u>(9,050)</u>	<u>(2,637)</u>
Consolidated finance costs (note 5(a))	<u><u>575,831</u></u>	<u><u>737,523</u></u>

2. SEGMENT REPORTING (cont'd)

(c) Geographical information (unaudited)

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

	Revenue from external customers		Profit/(loss) from operations	
	Six months ended		Six months ended	
	31 December		31 December	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The People's Republic of China				
- Hong Kong	488,142	441,991	779,152	2,559,062
- Mainland China	1,287,543	734,104	217,939	579,836
United Kingdom and Continental Europe	5,854,476	5,776,626	610,901	46,602
Singapore	994,547	266,873	(Note) 109,226	(235,088)
Australasia and others	127,109	457,678	125,907	277,915
	8,751,817	7,677,272	1,843,125	3,228,327

Note:

In accordance with applicable Hong Kong Financial Reporting Standards, at Group level, revenue arising from the sale of properties has been recognised upon completion of development projects instead of the percentage of completion method adopted by GuocoLand Limited ("GuocoLand") for residential projects under progressive payment schemes in Singapore.

GuocoLand has adopted the Singapore Interpretation of Financial Reporting Standard No. 115 Agreements for the Construction of Real Estate and the accompanying practice note issued specifically in the context of the sale of development properties in Singapore. Consequently, GuocoLand continues to adopt the percentage of completion method of revenue recognition for residential projects under progressive payment schemes in Singapore. For residential projects under deferred payment schemes in Singapore and overseas, the revenue and expenses are accounted for under the completion of construction method.

Accordingly, operating profits of GuocoLand for the period amounting to HK\$300.1 million (2013: HK\$322.6 million) in Singapore have been deferred for recognition in the consolidated financial statements. The Group has not recognised any operating profits of GuocoLand for the period (2013: Nil) which have been deferred in previous years. Up to 31 December 2014, accumulated operating profits of GuocoLand totalling HK\$826.7 million (2013: HK\$817.3 million) in Singapore have been deferred for recognition, and will be recognised by the Group upon completion of the relevant development projects in subsequent years.

3. TURNOVER AND REVENUE

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

	Six months ended 31 December	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Revenue from sale of properties	2,140,393	1,201,242
Revenue from hotel and gaming operations	5,975,924	5,898,210
Interest income	181,893	150,352
Dividend income from listed securities	341,311	328,037
Rental income from properties	69,999	66,561
Securities commission and brokerage	18,240	22,293
Others	24,057	10,577
Revenue	<u>8,751,817</u>	<u>7,677,272</u>
Proceeds from sale of investments in securities	<u>6,901,775</u>	<u>9,000,293</u>
Turnover	<u><u>15,653,592</u></u>	<u><u>16,677,565</u></u>

4. OTHER NET INCOME

	Six months ended 31 December	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Net realised and unrealised gains on trading financial assets	563,198	2,253,435
Net realised and unrealised (losses)/gains on derivative financial instruments	(10,206)	38,515
Net realised gains on disposal of available-for-sale financial assets	37,326	161,975
Net gains on foreign exchange contracts	78,623	1,652
Other exchange (losses)/gains	(77,173)	16,640
Net gains on disposal of fixed assets	1,520	450
(Loss)/gain on disposal of subsidiaries	(4,630)	608,681
Other income	11,276	6,358
	<u><u>599,934</u></u>	<u><u>3,087,706</u></u>

5. PROFIT FOR THE PERIOD BEFORE TAXATION

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

(a) Finance costs	Six months ended 31 December	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Interest on bank advances and other borrowings wholly repayable within five years	858,931	880,362
Other borrowing costs	66,362	161,510
Total borrowing costs	<u>925,293</u>	<u>1,041,872</u>
Less: borrowing costs capitalised into:		
- development properties	(196,318)	(169,986)
- investment properties	(15,813)	(120,196)
- other property, plant and equipment	(137,331)	(14,167)
Total borrowing costs capitalised (Note)	<u>(349,462)</u>	<u>(304,349)</u>
	<u>575,831</u>	<u>737,523</u>

Note: These borrowing costs have been capitalised at rates of 1.11% to 7.56% per annum (2013: 1.11% to 7.57%).

(b) Staff cost	Six months ended 31 December	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Contributions to defined contribution retirement plans	50,797	58,326
Expenses recognised in respect of defined benefit retirement plans	1,194	-
Total retirement costs	<u>51,991</u>	<u>58,326</u>
Equity-settled share-based payment expenses/(forfeited)	2,986	(2,419)
Salaries, wages and other benefits	<u>1,892,572</u>	<u>1,896,444</u>
	<u>1,947,549</u>	<u>1,952,351</u>

(c) Other items	Six months ended 31 December	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Depreciation	352,750	353,703
Amortisation		
- casino licences and brand name	5,630	5,032
- Bass Strait oil and gas royalty	14,696	15,206
- other intangible assets	31,013	33,165
Gross rental income from investment properties	<u>(69,999)</u>	<u>(66,561)</u>
Less: direct outgoings	<u>19,380</u>	<u>22,099</u>
Net rental income	<u>(50,619)</u>	<u>(44,462)</u>

6. TAX EXPENSES

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

	Six months ended 31 December	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Current tax - Hong Kong Profits Tax	132,949	1,489
Current tax - Overseas	122,301	49,882
Deferred taxation	60,980	(21,556)
	<u>316,230</u>	<u>29,815</u>

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2013: 16.5%) to the profits for the six months ended 31 December 2014. Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant countries.

7. DIVIDENDS

	Six months ended 31 December	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Dividends payable/paid in respect of the current year:		
- Interim dividend declared of HK\$1.00 (2013: HK\$1.00) per ordinary share	<u>329,051</u>	<u>329,051</u>
Dividends paid in respect of the prior year:		
- No special interim dividend (2013: Special interim dividend of HK\$5.01 (Note)) per ordinary share	-	1,626,934
- Final dividend of HK\$3.00 (2013: HK\$1.50) per ordinary share	<u>975,555</u>	<u>487,593</u>
	<u>975,555</u>	<u>2,114,527</u>

Note: Following the declaration of the special interim dividend in specie in respect of the financial year 2012/13 on 3 July 2013, the distribution of shares in The Rank Group Plc ("Rank Share") was completed on 5 September 2013 ("settlement date"). Based on the closing price of GBp153.1 per Rank Share and the exchange rate on this settlement date, the special interim dividend paid was approximately HK\$1,626.9 million, representing approximately HK\$5.01 per ordinary share.

The interim dividend declared for the year ending 30 June 2015 of HK\$329,051,000 (2014: HK\$329,051,000) is calculated based on 329,051,373 ordinary shares (2013: 329,051,373 ordinary shares) in issue at 31 December 2014.

The interim dividend declared after the interim period has not been recognised as a liability at the end of the interim reporting period in the accounts.

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$1,620,230,000 (2013: HK\$3,487,623,000) and the weighted average number of 325,024,511 ordinary shares (2013: 325,024,511 ordinary shares) in issue during the period.

(b) Diluted earnings per share

For the six months ended 31 December 2014 and 2013, the diluted earnings per share equalled the basic earnings per share as there was no dilutive potential ordinary share outstanding during the periods.

9. TRADE AND OTHER RECEIVABLES

	At 31 December 2014 (Unaudited) HK\$'000	At 30 June 2014 (Audited) HK\$'000
Trade debtors	1,124,619	1,412,791
Accrued receivables for sales consideration not yet billed on completed development properties	728,455	1,349,561
Deposits and prepayments	1,120,727	2,622,234
Derivative financial instruments, at fair value	390,534	46,597
Interest receivables	57,172	38,661
	<u>3,421,507</u>	<u>5,469,844</u>

Included in trade and other receivables is HK\$73.7 million (30 June 2014: HK\$83.7 million) which is expected to be recovered after one year.

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

	At 31 December 2014 (Unaudited) HK\$'000	At 30 June 2014 (Audited) HK\$'000
Within 1 month	1,078,816	1,373,580
1 to 3 months	34,030	31,499
More than 3 months	11,773	7,712
	<u>1,124,619</u>	<u>1,412,791</u>

10. TRADE AND OTHER PAYABLES

	At 31 December 2014 (Unaudited) HK\$'000	At 30 June 2014 (Audited) HK\$'000
Trade creditors	635,043	978,191
Other payables and accrued operating expenses	5,632,706	4,749,310
Derivative financial instruments, at fair value	191,765	93,172
Amounts due to fellow subsidiaries	159,371	163,998
Amounts due to associates	264	295
	<u>6,619,149</u>	<u>5,984,966</u>

Included in trade and other payables is HK\$903.5 million (30 June 2014: HK\$990.5 million) which is expected to be payable after one year.

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	At 31 December 2014 (Unaudited) HK\$'000	At 30 June 2014 (Audited) HK\$'000
Within 1 month	535,938	906,287
1 to 3 months	21,583	17,044
More than 3 months	77,522	54,860
	<u>635,043</u>	<u>978,191</u>

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

11. HONG KONG DOLLAR AMOUNTS

The consolidated financial statements of the Group are expressed in the United States dollars ("USD"), which are the functional currency of the Company. The Hong Kong dollar ("HKD") figures presented in the sections entitled "FINANCIAL HIGHLIGHTS" and "RESULTS" above are the HKD equivalents of the corresponding USD figures in the consolidated financial statements, which are translated at the rates ruling at the respective financial year ends for presentation purposes only (31 December 2014: US\$1 = HK\$7.7553, 30 June 2014: US\$1 = HK\$7.75075, 31 December 2013: US\$1 = HK\$7.7541).

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK\$1.00 per share amounting to approximately HK\$329.1 million (2013/2014 interim dividend: HK\$1.00 per share amounting to approximately HK\$329.1 million) for the financial year ending 30 June 2015 which will be payable on Wednesday, 25 March 2015 to the shareholders whose names appear on the Register of Members on Tuesday, 17 March 2015.

REVIEW OF OPERATIONS

Financial Results

The unaudited consolidated profit attributable to equity shareholders for the six months ended 31 December 2014, after taxation and non-controlling interests, amounted to HK\$1,620 million, as compared to HK\$3,488 million for the previous corresponding period. Basic earnings per share amounted to HK\$4.98.

For the six months ended 31 December 2014, operating profits were generated from the following sources:

- principal investment of HK\$948 million;
- hospitality and leisure business of HK\$788 million;
- property development and investment of HK\$518 million;
- contributions from associates and joint ventures of HK\$483 million; and
- oil and gas royalty of HK\$168 million.

Revenue increased by 14% to HK\$8.8 billion. The increase was mainly attributable to the increase in revenue derived from the property development and investment sector of HK\$951 million.

Principal Investment

The six months to December 2014 was an eventful period for financial markets. Oil prices tumbled at a time when the USD appreciated sharply across all currencies. In equity markets, A-shares experienced a powerful rebound while US stock indices made consecutive all-time highs but emerging markets remained major laggards. In view of rising volatility and vulnerability for price consolidation after recent price rallies, we decided to realise more profits from our portfolio during the period under review.

With expectations for divergent monetary policies between USA and the rest of the world driving the USD higher, Group Treasury continued to fully hedge the FX exposures of our investment portfolios. Riding on the opportunities for yield enhancement provided by volatile market conditions in the foreign exchange and money markets, the Group was able to lower the overall net interest expense for the period.

Property Development and Investment

GuocoLand Limited (“GuocoLand”)

GuocoLand ended its half year with a profit attributable to equity holders of S\$69.5 million, as compared to a profit of S\$96.6 million for the previous corresponding period. The drop in profit was mainly because there had been a once-off gain from disposal of subsidiaries in the previous corresponding period.

Revenue for the half year ended 31 December 2014 increased by 19% to S\$579.3 million as compared to the previous corresponding period. Higher revenue was mainly due to recognition of the sale of an office tower in Shanghai Guoson Centre during the period.

Other income decreased by 78% to S\$25.6 million in the period under review from S\$116.4 million as compared to the previous corresponding period. Administrative expenses increased for the half year ended 31 December 2014 mainly due to higher professional fees for GuocoLand’s operations in China.

Finance costs reduced by 28% to S\$34.3 million due to higher capitalisation of interest expenses during the period.

According to flash estimates released by the Singapore Urban Redevelopment Authority, overall private residential prices have fallen by 4% for the whole of 2014. This together with a volatile global economic environment suggests that the Singapore market sentiment remains weak. In China, although new home prices fell in 65 of 70 cities in December 2014, sales volume improved in major cities arising from the government’s trimming borrowing costs and easing property curbs. Amidst a continued challenging operating environment, GuocoLand will focus on execution, sales and leasing of its current projects.

Hospitality and Leisure Business

GuocoLeisure Limited (“GuocoLeisure”)

GuocoLeisure recorded a profit after tax for the half year ended 31 December 2014 of US\$31.2 million, an increase of 4.0% as compared to US\$30.0 million in the previous corresponding period.

Revenue stood at US\$200.6 million, which is 6.5% lower than that of the previous corresponding period. This was mainly due to lower revenue generated from the gaming and property development segments. Hotel revenue was stable as compared to previous corresponding period.

The decrease in direct costs of raw materials, consumables and services for the half-year by 5.3% was due mainly to lower gaming duty in tandem with the decrease in revenue from gaming sector during the period.

The decrease in personnel expenses was mainly due to the savings from streamlining of the hotel central support function.

Income from the Bass Strait oil and gas royalty in Australia increased by 5.4% to US\$23.6 million as compared to US\$22.4 million in the previous corresponding period, principally due to higher oil production during the period.

GuocoLeisure's first hotel under its new "Amba" brand, the Amba Hotel Charing Cross, was launched in the final quarter of 2014. The first hotel under GuocoLeisure's new "every" brand is on track to be launched in first quarter of 2015. The refurbishment of its hotels is expected to continue over the next 12 months. The impact of rooms not available for sale due to the refurbishment will continue to be felt over this period. Average occupancy for the London hotel market is expected to remain stable, with average room rates rising at modest levels.

Global oil prices have declined significantly over the past six months. To date, this has not affected GuocoLeisure's revenue from its oil and gas royalty as GuocoLeisure receives the payments one quarter in arrears. However, going forward, the downward trend in oil prices is expected to have a negative impact on GuocoLeisure's income.

GuocoLeisure refinanced its GBP138 million mortgaged debenture stock in December 2014 with a floating rate term loan. Based on prevailing benchmark rates, this is expected to result in interest cost savings for GuocoLeisure.

The Rank Group Plc ("Rank")

Rank registered an increase of 11% in its profit after taxation (before exceptional items and discontinued operations) for the half year ended 31 December 2014 to GBP26.9 million.

For the half year ended 31 December 2014, Rank's revenue from continuing operations grew by 3% to GBP361.7 million, driven by a 16% growth in revenue from digital operations and continued growth from its casino venues.

Operating profit before exceptional items of GBP40.8 million was up by 25% compared to the previous corresponding period, with all three brands recorded growing profits. The Grosvenor Casinos brand increased operating profit by 10% to GBP31.0 million, with its digital channel delivering its first ever profit. Mecca's profits were 65% higher at GBP22.9 million, although revenue was marginally down versus the previous corresponding period. The strong profit improvement was driven by a reduction in the rate of gaming duty on bingo from 20% to 10%, improved digital profits, tight cost control in venues and closure of a number of under-performing clubs.

Exceptional items and discontinued operations credit totalling GBP17.4 million comprised a GBP1.4 million credit following the closure or sale of a number of bingo clubs and a GBP16.0 million release from tax provisions on discontinued businesses. The tax provision release predominantly relates to the successful conclusion of a long running transfer pricing dispute.

Trading since the start of the second half has followed the trends seen in the first half of the year. Rank remains in a strong financial position, possesses market-leading brands and has a clear strategy for long-term growth.

Financial Services

Hong Leong Financial Group Berhad (“HLFG”)

HLFG Group achieved a profit before tax of RM1,543.1 million for the half year ended 31 December 2014 as compared to RM1,565.8 million for the previous corresponding period, a decrease of RM22.7 million or 1.4%. The overall decrease in profit before tax was mainly due to lower contributions from the insurance division.

The commercial banking division recorded a profit before tax of RM1,411.0 million for the half year ended 31 December 2014, an increase of RM48.2 million or 3.5% versus the previous corresponding period. Although net interest income increased by 9.1% due to higher loan growth, non-interest income decreased by RM160.6 million, resulting in a drop of 2.2% in the overall revenue compared to the previous corresponding period. During the period, share of profits from Bank of Chengdu Co., Ltd and the Sichuan Jincheng Consumer Finance joint venture totalling RM190.1 million has risen to represent 13.5% of the commercial banking division's profit before tax from 12.9% in the previous corresponding period.

The insurance division registered a profit before tax of RM111.3 million for the half year ended 31 December 2014, a decrease of 33.7% as compared to RM167.8 million for the previous corresponding period. The decrease was largely due to lower net income of RM60.4 million and higher operating expenses of RM1.3 million. This was mitigated by higher share of profit from associate company by RM5.2 million.

The investment banking division recorded a profit before tax of RM34.3 million for the half year ended 31 December 2014 which is slightly lower than the RM35.4 million in the previous corresponding period, a decrease of 3.1%. This was mainly due to lower contributions from its investment banking and asset management divisions.

Looking ahead, HLFG believes that the Malaysian economy will be subject to a number of headwinds with low oil and commodity prices, a weakened ringgit and continued intense competition with increased regulatory compliance requirements in the financial sector. HLFG remains cautiously positive that the core businesses will still grow although at a more modest pace. HLFG continues to be on the lookout for selected regional opportunities to expand into new markets as well as where HLFG operates.

GROUP FINANCIAL COMMENTARY

Capital Management

- The Group's consolidated total equity (including non-controlling interests) as at 31 December 2014 amounted to HK\$70 billion, a decrease of 1.5% compared to the total equity as at 30 June 2014.
- The Group's consolidated total equity attributable to equity shareholders of the Company as at 31 December 2014 amounted to HK\$55.8 billion, a decrease of HK\$469 million compared to the figure as at 30 June 2014.

- The equity-debt ratio as at 31 December 2014 is as follows:

	HK\$'M
Total borrowings	49,440
Less: Cash and short term funds	(20,907)
Marketable securities	<u>(9,409)</u>
Net debt	<u>19,124</u>
Total equity attributable to equity shareholders of the Company	<u>55,775</u>
Equity-debt ratio	<u>74 : 26</u>

- The Group's total cash balance and marketable securities were mainly in USD 48%, GBP 16%, MYR 12%, RMB 8% and HKD 7%.

Total Borrowings

The increase in total borrowings from HK\$48.6 billion as at 30 June 2014 to HK\$49.4 billion as at 31 December 2014 was primarily due to the drawdown of additional bank loans by GuocoLand to support its operating activities. The Group's total borrowings are mainly denominated in SGD 57%, USD 14%, GBP 9%, HKD 6% and MYR 6%.

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

	Bank loans	Mortgage debenture stock	Other borrowings	Total
	HK\$'M	HK\$'M	HK\$'M	HK\$'M
Within 1 year or on demand	12,741	-	3,130	15,871
After 1 year but within 2 years	4,352	-	2,704	7,056
After 2 years but within 5 years	18,221	-	6,297	24,518
After 5 years	505	701	789	1,995
	<u>23,078</u>	<u>701</u>	<u>9,790</u>	<u>33,569</u>
	<u>35,819</u>	<u>701</u>	<u>12,920</u>	<u>49,440</u>

Bank loans, mortgage debenture stock and other borrowings are secured by certain properties, fixed assets and trading financial assets with an aggregate book value of HK\$35 billion.

Committed borrowing facilities available to Group companies and not yet drawn as at 31 December 2014 amounted to approximately HK\$11 billion.

Interest Rate Exposure

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

As at 31 December 2014, approximately 70% of the Group's borrowings were at floating rates and the remaining 30% were at fixed rates. The Group had outstanding interest rate swaps with notional amount of HK\$3.7 billion.

Foreign Currency Exposure

The Group from time to time enters into foreign exchange contracts, which are primarily over-the-counter derivatives, principally for hedging foreign currency exposures and investments.

As at 31 December 2014, there were outstanding foreign exchange contracts with a total notional amount of HK\$24.8 billion for hedging of foreign currency equity and bond investments.

Equity Price Exposure

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

Contingent Liabilities

(a) GuocoLand

In relation to the legal proceedings regarding the interests of GuocoLand in the Dongzhimen ("DZM") project in Beijing referred to in the Group's annual report 2014, GuocoLand announced on 8 September 2014 that a judgment had been obtained from the Hainan High Court. The judgment effectively restores GuocoLand's ownership in Hainan Jing Hao Asset Limited which holds 90% of Beijing Cheng Jian Dong Hua Real Estate Development Company Limited, the owner of the DZM project in Beijing. GuocoLand will evaluate all options for this investment in Beijing.

(b) Rank

Property leases

Concurrent to the GBP211 million (approximately HK\$2,551.5 million) sale and leaseback in 2006, Rank transferred the rights and obligations but not the legal titles of 44 property leases to a third party. Rank remains potentially liable in the event of default by the third party. Should default occur then Rank would have recourse to two guarantors. It is understood that, of the original 44 leases transferred, 14 of these have not expired or been surrendered. These 14 leases have durations of between one month and 98.5 years and a current annual rental obligation (net of sub-let income) of approximately GBP1.5 million (approximately HK\$17.8 million).

During the prior year, Rank became aware of certain information in respect of a deterioration in the financial position of the third party and one of the guarantors. However, Rank has not to date been notified of any default, or intention to default, in respect of the transferred leases.

OUTLOOK

Looking ahead, the backdrop of low interest rates, significantly lower commodity prices and a recovering US economy should remain supportive to equities but they will be offset by valuation concern and the prospect of an eventual rate hike by the Fed. While it is perhaps too early to turn negative on markets, we are mindful that the risk-reward profile for stocks has deteriorated further as prices continue to move higher. Whereas for the currency market, the non-USD countries are using lower currency rates to boost export competitiveness and overcome deflation through import inflation. Consumption is expected to be boosted by lower commodity prices. Regulatory reforms will stay and increased capital requirements for both asset and liabilities management in financial institutions would continue to stifle trading activities and market liquidity.

We expect the operating environment for our core businesses to continue to be volatile and challenging. Our Principal Investment division will continue its approach of focusing on under-valued stocks with good recovery potential as well as identifying long-term cyclical trends in sectors and markets. Our other core businesses will remain vigilant to stay focused on implementation of their transformation plans and business strategies that enhance their competitiveness and achieve sustainable growth.

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

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

CODE ON CORPORATE GOVERNANCE PRACTICES

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

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

REVIEW BY BOARD AUDIT COMMITTEE

The unaudited interim results for the six months ended 31 December 2014 have been reviewed by the Board Audit Committee of the Company. The information in these interim results does not constitute statutory accounts.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed on Tuesday, 17 March 2015, on which date no share transfers will be registered.

To qualify for the interim dividend, all share transfers, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 16 March 2015.

RETIREMENT AND RE-DESIGNATION OF DIRECTOR

Mr. Tan Lim Heng ("Mr. Tan"), the Executive Director of the Company, will reach the age of 67 this year. With effect from 1 March 2015, he will step down as the Managing Director of GuocoCapital Limited ("GuocoCapital") and GuocoCapital Futures Limited ("GCF"), both wholly owned subsidiaries of the Company, and will retire from his office as Executive Director of the Company. Given his invaluable contribution to the Group, Mr. Tan is retained by the Board to remain as a member of the respective board of GuocoCapital and GCF and as a Non-Executive Director of the Company with effect from even day. The current general manager of GuocoCapital will be appointed as director of GuocoCapital and GCF.

Mr. Tan has been an Executive Director of the Company since 1996. Mr. Tan is also a director of certain subsidiaries of the Group, including GuocoCapital and GCF. He is also a non-executive director of Lam Soon (Hong Kong) Limited (a fellow subsidiary of the Company, listed on the Main Board of the Stock Exchange). Save as aforesaid, he had not held any directorship in other public listed companies during the past three years prior to the date of this announcement.

Mr. Tan has executed a revised service contract with a wholly owned subsidiary of the Company for a term until end of 2015, further extension of which will be subject to mutual agreement. He will be entitled to a director's fee. Mr. Tan's directorship with the Company is subject to retirement by rotation and re-election at the annual general meeting pursuant to the Company's Bye-Laws.

Mr. Tan holds a Bachelor of Science first class honours degree in engineering from University of Surrey and a Master of Science degree in management from Massachusetts Institute of Technology.

Prior to joining the Company, Mr. Tan had served in the Singapore Civil Service as a Colombo Plan Scholar 1975-1978 before coming to work in Hong Kong with a financial services company and a major U.S. bank. He had also previously worked in Geneva in 1974 with the United Nations Conference on Trade and Development. He has extensive experience in property investment, financial and investment management services. Mr. Tan is not related to any other directors, senior management or substantial or controlling shareholders of the Company.

As at the date of this announcement, Mr. Tan had a personal interest of 566,230 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, there are no other matters concerning Mr. Tan that need to be brought to the attention of shareholders of the Company and there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 27 February 2015

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