國浩集團有限公司
Guoco Group Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 53)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2017

FINANCIAL HIGHLIGHTS

		2017	2016	*Increase /*
		HK$'M	HK$'M	*(Decrease)*
Turnover		**23,220**	18,878	*23%*
Revenue		**13,960**	17,260	*(19%)*
Profit from operations		**5,518**	5,118	*8%*
Profit attributable to equity shareholders of the Company		**6,124**	3,088	*98%*
		HK$	HK$	
Earnings per share		**18.84**	9.50	*98%*
Dividend per share :	Interim	**1.00**	1.00	
	Proposed final	**3.00**	3.00	
	Total	**4.00**	4.00	-
Equity per share attributable to equity shareholders of the Company		**188.20**	170.71	*10%*

RESULTS

The consolidated results of Guoco Group Limited (the "Company") and its subsidiaries (together the "Group") for the financial year ended 30 June 2017 together with comparative figures for the previous year are as follows:

CONSOLIDATED INCOME STATEMENT

	Note	**2017** HK$'000	2016 HK$'000
Turnover	2 & 3	**23,220,299**	18,878,074
Revenue	2 & 3	**13,959,826**	17,259,678
Cost of sales		**(6,960,501)**	(8,972,076)
Other attributable costs		**(432,172)**	(311,460)
		6,567,153	7,976,142
Other revenue		**252,478**	321,555
Other net income	4	**3,798,254**	2,241,130
Administrative and other operating expenses		**(4,260,843)**	(4,659,176)
Profit from operations before finance costs		**6,357,042**	5,879,651
Finance costs	2(b) & 5(a)	**(839,296)**	(761,157)
Profit from operations	2	**5,517,746**	5,118,494
Valuation surplus on investment properties		**1,674,541**	114,828
Share of profits of associates and joint ventures	5(c)	**940,492**	647,524
Profit for the year before taxation	2 & 5	**8,132,779**	5,880,846
Taxation	6	**(707,808)**	(988,849)
Profit for the year		**7,424,971**	4,891,997
Attributable to:			
Equity shareholders of the Company		**6,124,343**	3,087,886
Non-controlling interests		**1,300,628**	1,804,111
Profit for the year		**7,424,971**	4,891,997
Earnings per share		**HK$**	HK$
Basic	8	**18.84**	9.50
Diluted	8	**18.84**	9.50

Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 7.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2017 HK$'000	2016 HK$'000
Profit for the year	**7,424,971**	4,891,997
Other comprehensive income for the year (after tax and reclassification adjustments)		
Items that will not be reclassified to profit or loss:		
Actuarial losses on defined benefit obligation	**(46,004)**	(74,876)
Surplus on revaluation of leasehold land and buildings	**-**	330,912
	(46,004)	256,036
Items that may be reclassified subsequently to profit or loss:		
Exchange translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	**(1,512,745)**	(3,474,703)
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries	**-**	(430,757)
Changes in fair value of cash flow hedge	**16,274**	(45,857)
Changes in fair value of available-for-sale financial assets	**1,660,211**	(1,819,769)
Transfer to profit or loss on disposal of available-for-sale financial assets	**1,303**	-
Release of valuation reserve upon disposal of properties	**-**	(171)
Share of other comprehensive income of associates	**92,602**	115,604
	257,645	(5,655,653)
Other comprehensive income for the year, net of tax	**211,641**	(5,399,617)
Total comprehensive income for the year	**7,636,612**	(507,620)
Total comprehensive income for the year attributable to:		
Equity shareholders of the Company	**6,726,374**	(921,020)
Non-controlling interests	**910,238**	413,400
	7,636,612	(507,620)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2017 HK$'000	2016 HK$'000
NON-CURRENT ASSETS			
Investment properties		**18,336,773**	16,368,835
Other property, plant and equipment		**13,178,164**	13,093,736
Interest in associates and joint ventures		**9,500,650**	7,932,862
Available-for-sale financial assets		**14,461,613**	12,647,934
Deferred tax assets		**701,985**	383,007
Intangible assets		**7,737,082**	7,892,631
Goodwill		**1,078,661**	1,112,212
Pensions surplus		**4,574**	20,407
		64,999,502	59,451,624
CURRENT ASSETS			
Development properties		**17,942,230**	12,309,519
Properties held for sale		**3,757,690**	5,881,436
Deposits for land		**2,646,894**	-
Trade and other receivables	9	**2,472,532**	4,018,355
Trading financial assets		**11,569,944**	13,495,039
Cash and short term funds		**25,200,402**	18,976,235
Assets held for sale		**68,538**	-
		63,658,230	54,680,584
CURRENT LIABILITIES			
Trade and other payables	10	**10,699,380**	6,099,452
Bank loans and other borrowings		**18,336,125**	14,653,395
Taxation		**649,799**	887,631
Provisions and other liabilities		**103,787**	103,197
		29,789,091	21,743,675
NET CURRENT ASSETS		**33,869,139**	32,936,909
TOTAL ASSETS LESS CURRENT LIABILITIES		**98,868,641**	92,388,533
NON-CURRENT LIABILITIES			
Bank loans and other borrowings		**18,822,113**	19,849,621
Amount due to non-controlling interests		**1,793,986**	1,207,626
Provisions and other liabilities		**304,992**	491,992
Deferred tax liabilities		**629,076**	381,238
		21,550,167	21,930,477
NET ASSETS		**77,318,474**	70,458,056
CAPITAL AND RESERVES			
Share capital		**1,284,175**	1,276,582
Reserves		**60,643,520**	54,896,149
Total equity attributable to equity shareholders of the Company		**61,927,695**	56,172,731
Non-controlling interests		**15,390,779**	14,285,325
TOTAL EQUITY		**77,318,474**	70,458,056

Notes:

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

(a) Statement of compliance

Although not required to do so under the Bye-Laws of the Company, these financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Group has adopted all new or revised HKFRSs, which term collectively includes HKASs and Interpretations, issued by the HKICPA that are mandatory for application for the current accounting period of the Group. The adoption of the new standards, amendments to standards and interpretations that are relevant to the Group had no material impact on the results and financial position of the Group.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 June 2017 comprise the Company and its subsidiaries and the Group's interests in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis modified by the revaluation of investment properties and the marking to market of certain financial instruments.

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Hong Kong dollar amounts

The audited consolidated financial statements of the Group are expressed in the United States dollar (“USD”), which is the functional currency of the Company. The Hong Kong dollar (“HKD”) figures presented in the sections entitled “FINANCIAL HIGHLIGHTS” and “RESULTS” are the HKD equivalents of the corresponding USD figures in the audited consolidated financial statements, which are translated at the rates prevailing at the respective financial year ends for presentation purposes only (2017: US$1 = HK$7.8053, 2016: US$1 = HK$7.75915).

2. SEGMENT REPORTING

In a manner consistent with the way in which information is reported internally to the Group's senior executive management, the Group has five 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, associates and joint ventures
Hospitality and leisure:	This segment owns, leases or manages hotels and operates gaming and leisure businesses in the United Kingdom, Spain and Belgium.	Subsidiaries
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
Oil and gas:	This segment receives royalty income from the entitlement of Bass Strait's oil and gas production in Australia.	Subsidiary

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 2015/16.

2. SEGMENT REPORTING (cont'd)

Information regarding the Group's reportable segments for the year is set out below.

(a) Reportable segment revenue and profit or loss, assets and liabilities

	Principal investment HK$'000	Property development and investment HK$'000	Hospitality and leisure HK$'000	Financial services HK$'000	Oil and gas HK$'000	Total HK$'000
Segment revenue and profit or loss						
For the year ended 30 June 2017						
Turnover	**10,005,130**	**3,495,276**	**9,719,893**	**-**	**-**	**23,220,299**
Revenue from external customers	**744,657**	**3,495,276**	**9,719,893**	**-**	**-**	**13,959,826**
Inter-segment revenue	**12,863**	**1,780**	**-**	**-**	**-**	**14,643**
Reportable segment revenue	**757,520**	**3,497,056**	**9,719,893**	**-**	**-**	**13,974,469**
Operating profit	**4,079,838**	**864,898**	**1,261,883**	**-**	**161,780**	**6,368,399**
Finance costs	**(298,545)**	**(398,586)**	**(153,522)**	**-**	**-**	**(850,653)**
Valuation surplus on investment properties	**-**	**1,674,541**	**-**	**-**	**-**	**1,674,541**
Share of profits of associates and joint ventures	**-**	**247,420**	**-**	**693,072**	**-**	**940,492**
Profit before taxation	**3,781,293**	**2,388,273**	**1,108,361**	**693,072**	**161,780**	**8,132,779**
Segment assets and liabilities						
At 30 June 2017						
Reportable segment assets	**39,987,192**	**54,761,453**	**23,815,859**	**-**	**592,578**	**119,157,082**
Interest in associates and joint ventures	**-**	**2,040,016**	**-**	**7,460,634**	**-**	**9,500,650**
Total assets	**39,987,192**	**56,801,469**	**23,815,859**	**7,460,634**	**592,578**	**128,657,732**
Reportable segment liabilities	**10,156,584**	**33,143,800**	**8,038,874**	**-**	**-**	**51,339,258**

2. SEGMENT REPORTING (cont'd)

(a) Reportable segment revenue and profit or loss, assets and liabilities (cont'd)

	Principal investment HK$'000	Property development and investment HK$'000	Hospitality and leisure HK$'000	Financial services HK$'000	Oil and gas HK$'000	Total HK$'000
Segment revenue and profit or loss						
For the year ended 30 June 2016						
Turnover	2,710,985	5,046,373	11,087,763	32,953	-	18,878,074
Revenue from external customers	1,092,589	5,046,373	11,087,763	32,953	-	17,259,678
Inter-segment revenue	34,140	6,999	-	3,988	-	45,127
Reportable segment revenue	1,126,729	5,053,372	11,087,763	36,941	-	17,304,805
Operating profit/(loss)	(351,404)	4,383,509	1,556,633	174,852	132,301	5,895,891
Finance costs	(280,687)	(323,913)	(167,443)	(5,354)	-	(777,397)
Valuation surplus on investment properties	-	114,828	-	-	-	114,828
Share of profits of associates and joint ventures	-	1,319	-	646,205	-	647,524
Profit/(loss) before taxation	(632,091)	4,175,743	1,389,190	815,703	132,301	5,880,846
Segment assets and liabilities						
At 30 June 2016						
Reportable segment assets	35,142,781	47,003,821	23,457,105	-	595,639	106,199,346
Interest in associates and joint ventures	-	639,168	-	7,293,694	-	7,932,862
Total assets	35,142,781	47,642,989	23,457,105	7,293,694	595,639	114,132,208
Reportable segment liabilities	10,101,738	25,392,129	8,180,285	-	-	43,674,152

2. SEGMENT REPORTING (cont'd)

(b) Reconciliations of reportable segment revenue and finance costs

Revenue

	2017	2016
	HK$'000	HK$'000
Reportable segment revenue	**13,974,469**	17,304,805
Elimination of inter-segment revenue	**(14,643)**	(45,127)
Consolidated revenue (note 3)	**13,959,826**	17,259,678

Finance costs

	2017	2016
	HK$'000	HK$'000
Reportable finance costs	**850,653**	777,397
Elimination of inter-segment finance costs	**(11,357)**	(16,240)
Consolidated finance costs (note 5(a))	**839,296**	761,157

2. SEGMENT REPORTING (cont'd)

(c) Geographical information

The following table illustrates the geographical location of the Group's revenue from external customers, profit/(loss) from operations, the Group's total assets and non-current assets other than financial instruments, deferred tax assets and pensions surplus ("specified non-current assets"). The geographical information is classified by reference to the location of the income generating entities.

	Revenue from external customers			Profit/(loss) from operations	
	2017	2016		**2017**	2016
	HK$'000	HK$'000		**HK$'000**	HK$'000
The People's Republic of China					
- Hong Kong	**771,507**	1,138,159		**3,625,780**	(471,686)
- Mainland China	**210,454**	1,520,770		**35,959**	3,408,688
United Kingdom and Continental Europe	**9,491,534**	10,872,726		**1,134,087**	1,401,186
Singapore	**2,904,180**	2,898,539	**(Note)**	**383,990**	460,319
Australasia and others	**582,151**	829,484		**337,930**	319,987
	13,959,826	17,259,678		**5,517,746**	5,118,494

	Total assets		Specified non-current assets	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
The People's Republic of China				
- Hong Kong	**42,202,406**	35,523,313	**1,029,433**	780,571
- Mainland China	**16,481,913**	10,670,259	**1,122,902**	1,211,498
United Kingdom and Continental Europe	**19,882,628**	20,322,129	**17,825,846**	18,616,715
Singapore	**34,210,481**	32,119,521	**19,144,816**	15,538,714
Australasia and others	**15,880,304**	15,496,986	**10,708,333**	10,252,778
	128,657,732	114,132,208	**49,831,330**	46,400,276

Note:

The Group's financial statements have been prepared in accordance with all applicable HKFRSs and at Group level, revenue arising from the sale of properties has been recognised upon completion of development projects.

The subsidiary, GuocoLand Limited ("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.

2. SEGMENT REPORTING (cont'd)

(c) Geographical information (cont'd)

Accordingly, operating profits of GuocoLand for the year amounting to HK$437.9 million (2016: HK$138.1 million) in Singapore have been deferred for recognition in the Group's consolidated financial statements. The Group has not recognised any operating profits of GuocoLand for the year (2016: Nil) which have been deferred in previous years. Up to 30 June 2017, accumulated operating profits of GuocoLand totalling HK$593.2 million (2016: HK$154.4 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

The principal activity of the Company is investment holding and investment management. The principal activities of the subsidiaries which materially affected the results or assets of the Group during the year include principal investment, property development and investment, hospitality and leisure business.

The amount of each significant category of turnover and revenue is as follows:

	2017 **HK$'000**	2016 HK$'000
Revenue from sale of properties	**2,869,658**	4,754,303
Revenue from hospitality and leisure	**9,694,971**	11,077,746
Interest income	**240,427**	238,679
Dividend income	**661,624**	991,736
Rental income from properties	**412,908**	133,791
Securities commission and brokerage	**-**	17,171
Others	**80,238**	46,252
Revenue	**13,959,826**	17,259,678
Proceeds from sale of investments in securities	**9,260,473**	1,618,396
Turnover	**23,220,299**	18,878,074

4. OTHER NET INCOME

	2017	2016
	HK$'000	HK$'000
Net realised and unrealised gains/(losses) on trading financial assets	**3,506,874**	(1,308,332)
Net realised and unrealised (losses)/gains on derivative financial instruments	**(87,482)**	15,169
Net realised gains on disposal of available-for-sale financial assets	**13,363**	-
Net gains on foreign exchange contracts	**198,848**	161,056
Other exchange gains/(losses)	**202,844**	(97,920)
Net (losses)/gains on disposal of property, plant and equipment	**(5,768)**	109,505
Net losses on disposal of intangible assets	**-**	(248)
Net gains on disposal of subsidiaries and associates	**-**	3,300,246
Impairment loss on an available-for-sale financial asset	**(60,187)**	-
Other income	**29,762**	61,654
	3,798,254	2,241,130

5. PROFIT FOR THE YEAR BEFORE TAXATION

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

(a) Finance costs

	2017	2016
	HK$'000	HK$'000
Interest on bank loans and other borrowings	**1,134,703**	1,253,413
Other borrowing costs	**72,246**	88,478
Total borrowing costs	**1,206,949**	1,341,891
Less: borrowing costs capitalised into:		
- development properties	**(250,347)**	(202,273)
- investment properties	**(67,633)**	(334,947)
- other property, plant and equipment	**(49,673)**	(43,514)
Total borrowing costs capitalised (Note)	**(367,653)**	(580,734)
	839,296	761,157

Note: These borrowing costs have been capitalised at rates of 1.37% to 4.99% per annum (2016: 1.91% to 8.00%).

5. PROFIT FOR THE YEAR BEFORE TAXATION (cont'd)

(b) Staff cost

	2017 **HK$'000**	2016 HK$'000
Salaries, wages and other benefits	**3,249,065**	3,550,370
Contributions to defined contribution retirement plans	**89,386**	95,717
Expenses recognised in respect of defined benefit retirement plans	**1,717**	5,253
Equity-settled share-based payment (forfeiture)/expenses	**(8,718)**	17,807
	3,331,450	3,669,147

(c) Other items

	2017 **HK$'000**	2016 HK$'000
Depreciation	**563,816**	678,949
Impairment losses recognised/(reversed)		
- other property, plant and equipment	**69,241**	16,364
- intangible assets	**(16,875)**	(16,224)
- development properties	**-**	(11,096)
- properties held for sale	**27,201**	28,569
Amortisation		
- casino licences and brand names	**11,567**	10,964
- Bass Strait oil and gas royalty	**25,281**	24,232
- other intangible assets	**82,978**	91,573
Operating lease charges		
- properties	**472,705**	577,855
- others	**46,832**	63,066
Auditors' remuneration		
- audit services	**15,041**	15,930
- tax services	**1,444**	1,536
- other services	**2,693**	2,149
Donations	**1,022**	7,938
Gross rental income from investment properties	**(412,908)**	(133,791)
Less: direct outgoings	**113,466**	36,662
Net rental income	**(299,442)**	(97,129)
Share of (profits)/losses of associates and joint ventures:		
- associates	**(941,631)**	(655,275)
- joint ventures	**1,139**	7,751
	(940,492)	(647,524)

6. TAX EXPENSES

Taxation in the consolidated income statement represents:

	2017 HK$'000	2016 HK$'000
Current tax - Hong Kong Profits Tax		
Provision for the year	**2,552**	2,320
(Over)/under-provision in respect of prior years	**(23)**	590
	2,529	2,910
Current tax - Overseas		
Provision for the year	**799,356**	1,415,393
Over-provision in respect of prior years	**(30,761)**	(42,807)
	768,595	1,372,586
Deferred tax		
Origination and reversal of temporary differences	**(55,472)**	(359,505)
Utilisation of deferred tax asset in relation to tax losses	**11,084**	10,816
Effect of changes in tax rate on deferred tax balances	**(18,928)**	(37,958)
	(63,316)	(386,647)
	707,808	988,849

The provision for Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) of the estimated assessable profits for the year ended 30 June 2017. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

7. DIVIDENDS

	2017 HK$'000	2016 HK$'000
Dividends payable/paid in respect of the current year:		
- Interim dividend of HK$1.00 (2016: HK$1.00) per ordinary share	**326,628**	325,256
- Proposed final dividend of HK$3.00 (2016: HK$3.00) per ordinary share	**987,152**	987,158
	1,313,780	1,312,414
Dividends paid in respect of the prior year:		
- Final dividend of HK$3.00 (2016: HK$3.00) per ordinary share	**981,360**	976,194

The final dividend proposed for the year ended 30 June 2017 of HK$987,152,000 (2016: HK$987,158,000) is calculated based on 329,051,373 ordinary shares (2016: 329,051,373 ordinary shares) in issue as at 30 June 2017.

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the 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$6,124,343,000 (2016: HK$3,087,886,000) and the weighted average number of 325,024,511 ordinary shares (2016: 325,024,511 ordinary shares) in issue during the year.

(b) Diluted earnings per share

The diluted earnings per share equalled the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 30 June 2017 and 2016.

9. TRADE AND OTHER RECEIVABLES

	2017	2016
	HK$'000	HK$'000
Trade debtors	**899,529**	501,939
Accrued receivables for sales consideration not yet billed on completed development properties	**239,701**	1,044,777
Other receivables, deposits and prepayments	**1,166,479**	2,073,998
Derivative financial instruments, at fair value	**94,702**	375,830
Interest receivables	**72,121**	21,811
	2,472,532	4,018,355

Included in the Group's trade and other receivables is HK$102.2 million (2016: HK$93.9 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:

	2017	2016
	HK$'000	HK$'000
Within 1 month	**664,941**	405,276
1 to 3 months	**192,978**	71,981
More than 3 months	**41,610**	24,682
	899,529	501,939

10. TRADE AND OTHER PAYABLES

	2017	2016
	HK$'000	HK$'000
Trade creditors	**625,025**	1,488,236
Other payables and accrued operating expenses	**9,640,170**	3,876,937
Derivative financial instruments, at fair value	**267,425**	587,794
Amounts due to fellow subsidiaries	**166,510**	146,066
Amounts due to associates	**250**	419
	10,699,380	6,099,452

Included in trade and other payables is HK$681.4 million (2016: HK$848.9 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:

	2017	2016
	HK$'000	HK$'000
Within 1 month	**550,890**	1,433,317
1 to 3 months	**46,746**	19,219
More than 3 months	**27,389**	35,700
	625,025	1,488,236

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

DIVIDEND

The Directors will recommend to the shareholders for approval at the forthcoming annual general meeting a final dividend of HK$3.00 per share, totalling HK$987.2 million payable for the financial year ended 30 June 2017. Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 15 November 2017, the final dividend will be payable on 4 December 2017 to the shareholders whose names appear on the Register of Members of the Company on 22 November 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The audited consolidated profit attributable to equity shareholders for the year ended 30 June 2017, after taxation and non-controlling interests, amounted to HK$6,124 million, up 98% as compared to HK$3,088 million for the previous year. Basic earnings per share amounted to HK$18.84.

For the year ended 30 June 2017, profit before taxation was generated from the following sources:

- principal investment of HK$4,080 million;
- property development and investment of HK$2,787 million;
- hospitality and leisure of HK$1,262 million;
- financial services of HK$693 million;
- oil and gas royalty of HK$162 million;

and was offset by HK$851 million of finance costs.

Revenue decreased by 19% to HK$14.0 billion. The decrease was mainly resulted from the decline of property development and investment sector of HK$1.6 billion together with the hospitality and leisure sector of HK$1.4 billion.

Review of Operations

Principal Investment

Our investment strategy has always been to unearth hidden gems that are trading at below market valuations or to latch onto a sector or cycle before it turns. We had sensed that the stretched valuation of the U.S. stock market would not provide the leadership for gains and had largely stayed away. Instead, we had invested a fair amount of assets in the under-performing stock markets of Japan and China where stocks were trading at more attractive valuations. The post-U.S. election rally propelled Japan to become the best performing major stock market and contributed to our bottom line. We were ready to reap the gains when the Chinese stock market began playing catch up in the second half. Japan and China constituted the majority of our gains in this year.

History tells us that a nine year expansion may position the global economy closer to the end of a period of expansion than to the beginning. Therefore, we will remain cautious and focus on value investments and fallen angels.

Our treasury team performed well in managing the foreign currency exposures and optimizing returns for the Group. The overall net interest expense also saw a greater reduction with the successful deployment of yield enhancement strategies and as loans were pared down and excess cash levels rose.

Property Development and Investment

GuocoLand Limited ("GuocoLand")

GuocoLand ended the financial year 2016/17 with a profit attributable to equity holders of S$357.2 million on the back of revenue of S$1,113.2 million.

Revenue for the current financial year increased by 5% primarily due to higher revenue recognised for Singapore. The higher sales and progressive revenue recognition from Singapore's residential projects in the current year has offset the absence of contribution from the sale of an office block in Shanghai Guoson Centre in the previous year. Gross profit declined by 15% due to lower gross margin arising from the different sales mix in the two periods of review.

Other income for the current financial year decreased by 49% to S$318.2 million, mainly due to the one-time gain from the disposal of subsidiaries relating to the Dongzhimen project in the previous year. This has partially offset by the effect of the fair value gain from Tanjong Pagar Centre's Guoco Tower recorded in the current financial year.

Singapore

Compared with the previous financial year, revenue from Singapore increased by 52% to S$988.2 million in the current financial year. Apart from the higher sales and progressive revenue recognition from Sims Urban Oasis, Singapore's segment profit before tax increased close to three-folds to S$451.4 million in the current financial year, boosted by the fair value gains of Tanjong Pagar Centre's Guoco Tower.

According to the second quarter of 2017 real estate statistics released by the Urban Redevelopment Authority in Singapore, private residential property prices continued to decline, albeit at a slower rate. The rate of decline in the second quarter of 2017 was 0.1% compared with 0.4% in the preceding quarter. GuocoLand has successfully launched its luxury residential development Martin Modern on 22 July 2017.

China

Contribution from China in the current financial year has dropped significantly due mainly to the absence of the one-time gain from disposal of the Dongzhimen project in the previous financial year. Further, profits from GuocoLand's joint venture residential project in Shanghai were not recognised in the current financial year as construction was not completed by 30 June 2017.

In China, the property market has showed signs of moderating in some of the larger cities. According to the National Bureau of Statistics of China, new home prices in Shanghai decreased by 0.2% month-on-month in June 2017, although year-on-year it had increased by 8.6%. In Chongqing, new home prices had increased 1.5% month-on-month and 12.0% year-on-year.

Malaysia

Whilst revenue from Malaysia fell by 28% to S$94.5 million in current year, profit for the year improved by 14% to S$44.3 million. This was because the drop in sales from subsidiaries was offset by higher profit contribution from its associate. Share of profit of associates and joint ventures increased by S$45.4 million in the current financial year due to the completion of the disposal of a land parcel located in Mukim and district of Sepang, Selangor.

In Malaysia, GuocoLand will continue to focus on sales and leasing of its current projects amid challenging operating conditions.

Hospitality and Leisure

GL Limited ("GL")

GL recorded a profit after tax for the year ended 30 June 2017 at US$48.9 million, a decrease of 27% as compared to US$67.4 million in the previous financial year.

Revenue decreased by 11% to US$350.2 million year-on-year, principally due to lower revenue generated from hotel, gaming and property development segments. Hotel RevPAR during the year in GBP terms improved 7% on a year-on-year basis on the back of a 7% improvement in average room rate. However, hotel revenue expressed in USD terms decreased by 10% compared to the previous financial year due to the weakening of GBP against USD. Apart from the above, lower revenues were generated from the gaming and property development segments as a result of lower gaming drop and win margin and land disposal respectively during the year. However, revenue drop was offset by higher revenue generated from Bass Strait oil and gas royalty income following higher oil and gas production as well as the appreciation of AUD against USD by 4% during the year.

Cost of sales decreased by 16% as a result of the weakening of GBP against USD and lower gaming duty associated with lower gaming revenue in the current year.

Administrative expenses also decreased by 18% for the year which were largely attributable to the weakening of GBP against USD as well as reflecting overall cost disciplines at GL.

The increase in other operating expenses arose mainly from the settlement of a legal claim against a subsidiary in the United Kingdom which provided a guarantee in relation to a hotel property previously leased and operated by another subsidiary. In addition, certain company assets and equipment were written off during the year as a result of management's on-going review of its business strategies.

Higher financing costs for the year were primarily due to the foreign exchange losses arising from unfavourable movement in foreign exchange as well as mark-to-market losses of an interest rate hedge contract.

The UK hotel industry has remained resilient in the light of geopolitical events. London room supply is expected to increase above its long term trend in the next 12 months. GL London hotels continue to operate in a challenging environment due to post-Brexit vote uncertainty, and increasing operating costs due to the implementation of the National Living wage and imported inflation. On the other hand, the weakness in the Sterling Pound could boost both domestic and inbound leisure tourism. The weakening Pound will adversely impact our hotel division's revenue growth and the carrying value of our hotel properties in USD terms. GL will continue with its hotel refurbishment programme and expects to launch the Hard Rock Hotel London in the financial year of 2018/19.

In the global oil market, oil prices have continued to be range-bound and are not expected to improve significantly in the coming year. This will continue to impact GL's oil and gas royalty revenues.

The Rank Group Plc ("Rank")

Rank recorded a profit after tax (before exceptional items) for the year ended 30 June 2017 of GBP63.1 million, an increase of 3% as compared to the previous year.

Statutory revenue fell marginally to GBP707.2 million, with 12% growth in digital revenue offset by a 3% fall in Mecca Bingo venue visit (following the closure of several under-performing venues) and a 3% fall in Grosvenor Casinos' revenues (lower gaming win from major customers). However, both retail businesses manage to win market shares despite challenging trading conditions.

Operating profit before exceptional items of GBP83.5 million was up by GBP1.1 million with the marginal decline in revenue being offset by lower costs, particularly gaming duties and marketing. Performance saw a significant improvement in the second half following cost savings and revenue improvement actions. Digital profit improved by 63% with strong revenue growth combining with strong cost control, particularly around marketing effectiveness. Mecca Bingo venues saw profits decline by 9% due to lower revenue and higher employment costs following the introduction of the National Living Wage increases, partially mitigated by lower costs. Grosvenor Casinos suffered a 14% fall in profit with revenue falling due to lower customer visitations combined with increased costs, particularly in employment.

The net charge for exceptional items of GBP0.2 million comprised a GBP14.7 million credit following successful exits from or improved trading at several onerous leases, a net GBP4.2 million in impairment charges (primarily related to an under-performing provincial casino), GBP8.8 million in restructuring costs and GBP0.7 million in abortive acquisition costs with GBP1.2 million in tax.

Financial Services

Hong Leong Financial Group Berhad ("HLFG")

HLFG Group achieved a profit before tax of RM3,089.9 million for the year ended 30 June 2017, an increase of RM524.9 million or 20.5% as compared to last year. Excluding the one-off Mutual Separation Scheme expenses in last year, the profit before tax year-on-year increase would be RM352.8 million or 12.9%. The improved HLFG's financial performance came from higher profit contributions across all operating divisions.

The commercial banking division recorded a profit before tax of RM2,748.3 million for the year, an increase of RM366.6 million or 15.4% over the previous year. Excluding the one-off Mutual Separation Scheme expense in last year, the division's profit before tax increased by RM194.5 million or 7.6%. The increase was primarily due to higher revenue of RM372.8 million, lower operating expenses of RM79.3 million and higher share of profit from associated company and joint venture of RM30.7 million. This was however offset by higher allowance for impairment losses on loans, advances and financing of RM108.6 million. Contributions from Bank of Chengdu Co., Ltd. and the Sichuan Jincheng Consumer Finance joint venture of RM364.1 million represent 13.2% of the commercial banking division’s profit before tax results as compared to 14.0% last year.

The insurance division registered a profit before tax of RM337.8 million for the year ended 30 June 2017, an increase of RM140.3 million or 71.0% compared to last year. The increase in profits was mostly due to higher life fund surplus of RM61.3 million, higher revenue of RM45.2 million and lower impairment losses on securities of RM40.5 million. This was however offset by higher operating expenses of RM11.3 million.

The investment banking division recorded a profit before tax of RM84.0 million for the year ended 30 June 2017, an increase of RM19.5 million or 30.2% mainly from higher contribution from both the investment banking and stockbroking segments.

GROUP FINANCIAL COMMENTARY

Capital Management

The Group’s consolidated total equity attributable to equity shareholders of the Company as at 30 June 2017 amounted to HK$61.9 billion, an increase of 10% or HK$5.8 billion as compared to the previous year.

The equity-debt ratio as at 30 June 2017 is arrived at as follows:

		HK$'M
Total borrowings		37,158
Less:	Cash and short term funds	(25,200)
	Trading financial assets	(11,570)
Net debt		388
Total equity attributable to equity shareholders of the Company		61,928
Equity-debt ratio		99:1

The Group’s total cash balance and trading financial assets were mainly in HKD (25%), USD (24%), RMB (18%), SGD (11%), GBP (11%), and JPY (6%).

Total Borrowings

The increase in total borrowings from HK$34.5 billion as at 30 June 2016 to HK$37.2 billion as at 30 June 2017 was primarily due to the drawdown of additional bank loans and issuance of medium term notes by GuocoLand to support its operating activities. The Group's total borrowings are mostly denominated in SGD (59%), USD (22%), GBP (8%) and MYR (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
Within 1 year or on demand	12,743	-	5,593	18,336
After 1 year but within 2 years	4,324	-	1,146	5,470
After 2 years but within 5 years	7,419	581	4,702	12,702
After 5 years	631	-	19	650
	12,374	581	5,867	18,822
	25,117	581	11,460	37,158

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$34.8 billion.

Committed borrowing facilities available to Group companies and not yet drawn as at 30 June 2017 amounted to approximately HK$12.2 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 30 June 2017, approximately 65% of the Group's borrowings were at floating rates and the remaining 35% were at fixed rates. The Group had outstanding interest rate swaps with a notional amount of HK$1.6 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 30 June 2017, there were outstanding foreign exchange contracts with a total notional amount of HK$22.4 billion for hedging of foreign currency equity investments.

Equity Price Exposure

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

HUMAN RESOURCES AND TRAINING

The Group employed approximately 13,400 employees as at 30 June 2017. 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 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 results of the Group and individual achievement as incentives to optimise performance. In addition, share based award schemes are in place for granting share options and / or free shares to eligible employees to align their long term interests with those of the shareholders and for the purposes of staff motivation and talent retention.

GROUP OUTLOOK

Global economic growth remains below trend. There is room for faster growth in all the major economies as tax and structural reforms may provide further impetus for a sustained economic expansion. However, the odds of a continued and sustained rise in the major equity markets may be stretched as the current bull cycle begins its ninth consecutive year. Therefore, we will remain vigilant and disciplined in managing our core businesses and investments. We will guard against exuberance and remain cautious to pursue a prudent growth strategy and maintain profitability. Shareholders should be mindful that our Principal Investment results are marked-to-market and will therefore remain volatile.

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

Neither the Company, nor any of its other subsidiaries, purchased, sold or redeemed any of the Company's listed securities during the year ended 30 June 2017.

CODE ON CORPORATE GOVERNANCE PRACTICES

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

The Company has complied throughout the year with applicable provisions of 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 AND RISK MANAGEMENT COMMITTEE ("BARMC")

The BARMC reviewed the applicable accounting principles and practices adopted by the Company and discussed the auditing, risk management and internal controls and financial reporting matters including a review of the audited annual results of the Company for the year ended 30 June 2017 with the auditors and management.

CLOSURE OF REGISTER OF MEMBERS

<u>For ascertaining shareholders' right to attend and vote at the forthcoming annual general meeting</u>:

Closure dates of Register of Members (both days inclusive)	6 November 2017 (Monday) to 8 November 2017 (Wednesday)
Latest time to lodge transfers	4:30 p.m. on 3 November 2017 (Friday)
Record date	8 November 2017 (Wednesday)
Annual General Meeting	15 November 2017 (Wednesday)

<u>For ascertaining shareholders' entitlement to the proposed final dividend*</u>:

Closure date of Register of Members	22 November 2017 (Wednesday)
Latest time to lodge transfers	4:30 p.m. on 21 November 2017 (Tuesday)
Record date	22 November 2017 (Wednesday)
Proposed final dividend payment date	4 December 2017 (Monday)

*(*subject to shareholders' approval at the annual general meeting)*

During the periods of the closure of Register of Members, no share transfers will be registered. For registration, all transfer documents 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 before the relevant latest time to lodge transfers.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 29 August 2017

As at the date of this announcement, the Board comprises Mr. Kwek Leng Hai as Executive Chairman; Mr. Tang Hong Cheong as President & CEO; Mr. Kwek Leng San and Mr. Tan Lim Heng as Non-executive Directors and Mr. Volker Stoeckel, Mr. Roderic N. A. Sage and Mr. David Michael Norman as Independent Non-executive Directors.