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 2007

FINANCIAL HIGHLIGHTS

		2007	2006 (Restated)	Increase/ (Decrease)
		HK$'M	HK$'M	
Turnover		**20,934**	43,951	*(52%)*
Profit from operations before finance cost		**4,397**	5,424	*(19%)*
Profit attributable to shareholders of the Company		**4,271**	5,637	*(24%)*
		HK$	HK$	
Earnings per share		**13.14**	17.22	*(24%)*
Dividend per share:	Interim	**1.00**	1.00	
	Proposed final	**3.30**	3.00	
		4.30	4.00	*8%*
	Proposed special	**-**	1.00	
	Total	**4.30**	5.00	
Equity per share attributable to shareholders of the Company		**123.20**	**112.20**	*10%*

RESULTS

The Board of Directors of Guoco Group Limited ("the Company") is pleased to announce its consolidated results for the financial year ended 30 June 2007 together with restated comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

	Note	2007	2006
	11		(Restated)
		HK$'000	HK$'000
Turnover	2 & 3	20,933,999	43,951,141
Cost of sales		(16,058,879)	(37,662,571)
Other attributable costs		(169,287)	(74,445)
		4,705,833	6,214,125
Other revenue		321,401	139,812
Other net income	4	1,554,712	367,977
Administrative and other operating expenses		(2,185,016)	(1,297,681)
Profit from operations before finance cost		4,396,930	5,424,233
Finance cost	5(a)	(820,821)	(382,591)
Profit from operations	2	3,576,109	5,041,642
Valuation gains on investment properties		600,545	177,916
Profit on disposal of subsidiaries		85,507	-
Share of profits of associates	5(c)	406,768	528,312
Share of profits less losses of jointly controlled entities	5(c)	14,453	160,367
Profit for the year before taxation	5	4,683,382	5,908,237
Tax income	6	56,296	139,898
Profit for the year		4,739,678	6,048,135
Attributable to :			
Shareholders of the Company		4,270,845	5,636,572
Minority interests		468,833	411,563
Profit for the year		4,739,678	6,048,135
Appropriations:			
Final dividend paid in respect of 2005/2006	7	(979,290)	(978,268)
Special dividend paid in respect of 2005/2006	7	(326,427)	-
Interim dividend paid in respect of 2006/2007	7	(325,193)	(325,836)
		(1,630,910)	(1,304,104)
Earnings per share		HK$	HK$
Basic	8	13.14	17.22
Diluted	8	13.03	17.19
		HK$'000	HK$'000
Proposed final dividend	7	1,085,870	987,154
Proposed special dividend	7	-	329,051

CONSOLIDATED BALANCE SHEET

	Note	**2007** **HK$'000**	2006 HK$'000
NON-CURRENT ASSETS			
Fixed assets			
- Investment properties		**2,173,268**	1,508,980
- Other property, plant and equipment		**12,117,878**	11,181,585
Interest in associates		**3,789,005**	2,016,933
Interest in jointly controlled entities		**767,824**	852,425
Available-for-sale financial assets		**325,443**	118,636
Deferred tax assets		**9,302**	7,431
Intangible assets		**1,469,963**	918,662
Goodwill		**228,187**	10,716
		20,880,870	16,615,368
CURRENT ASSETS			
Development properties		**9,721,278**	7,433,929
Properties held for sale		**267,950**	588,851
Trade and other receivables	9	**4,492,357**	2,163,470
Trading financial assets		**9,188,121**	3,955,104
Cash and short term funds		**24,732,712**	26,570,457
		48,402,418	40,711,811
Assets held for sale		**-**	684,502
CURRENT LIABILITIES			
Trade and other payables	10	**3,383,699**	2,230,771
Current portion of bank loans and other borrowings		**1,921,615**	1,932,424
Taxation		**255,092**	280,720
Provisions and other liabilities		**46,424**	22,457
		5,606,830	4,466,372
NET CURRENT ASSETS		**42,795,588**	36,929,941
TOTAL ASSETS LESS CURRENT LIABILITIES		**63,676,458**	53,545,309
NON-CURRENT LIABILITIES			
Non-current portion of bank loans and other borrowings		**14,031,074**	7,801,557
Provisions and other liabilities		**189,048**	270,260
Deferred tax liabilities		**1,104,968**	1,053,512
		15,325,090	9,125,329
NET ASSETS		**48,351,368**	44,419,980
CAPITAL AND RESERVES			
Share capital		**1,286,059**	1,277,577
Reserves		**39,252,092**	35,640,878
Equity attributable to shareholders of the Company		**40,538,151**	36,918,455
Minority interests		**7,813,217**	7,501,525
TOTAL EQUITY		**48,351,368**	44,419,980

Notes:

1. 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 HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. The adoption of the new standards, amendments and interpretations had no material impact on the Group's results and financial position. Accordingly, no prior period adjustment has been required.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 June 2007 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

The measurement basis used in the preparation of the financial statements is the historical cost 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.

2. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because that is more relevant to the Group's internal financial reporting.

Business Segments

For the year ended 30 June 2007

	Proprietary asset management HK$'000	Property development HK$'000	Property investment HK$'000	Securities, commodities and brokerage HK$'000	Hotel and gaming operations HK$'000	Oil and gas HK$'000	Other operations HK$'000	Inter-segment elimination HK$'000	Total HK$'000
Turnover	15,852,729	1,631,504	102,282	89,658	3,257,826	-	-	-	20,933,999
Inter-segment turnover	456,912	-	6,879	2,150	-	-	-	(465,941)	-
	16,309,641	1,631,504	109,161	91,808	3,257,826	-	-	(465,941)	20,933,999
Contribution from operations	3,497,628	455,506	55,335	41,194	369,834	119,119	-	-	4,538,616
Unallocated income									4,862
Unallocated expenses									(146,548)
Profit from operations before finance cost									4,396,930
Finance cost									(820,821)
Profit from operations									3,576,109
Valuation gains on investment properties	-	-	600,545	-	-	-	-	-	600,545
Profit on disposal of subsidiaries	-	-	-	-	85,507	-	-	-	85,507
Share of profits of associates	340,451	66,317	-	-	-	-	-	-	406,768
Share of profits less losses of jointly controlled entities	-	14,453	-	-	-	-	-	-	14,453
Profit for the year before taxation									4,683,382
Tax income									56,296
Profit for the year									4,739,678
Segment assets	29,243,822	13,925,040	2,284,766	1,235,719	13,133,313	1,099,699	-	-	60,922,359
Interest in associates	2,297,687	1,489,677	-	-	1,641	-	-	-	3,789,005
Interest in jointly controlled entities	-	300,663	26,319	-	-	-	440,842	-	767,824
Unallocated assets									3,804,100
Total assets									69,283,288
Segment liabilities	1,575,192	7,172,986	32,010	294,864	6,066,822	3,697	-	-	15,145,571
Unallocated liabilities									5,786,349
Total liabilities									20,931,920

2. SEGMENT INFORMATION

For the year ended 30 June 2006 (Restated)

	Proprietary asset management HK$'000	Property development HK$'000	Property investment HK$'000	Securities, commodities and brokerage HK$'000	Hotel and gaming operations HK$'000	Oil and gas HK$'000	Other operations HK$'000	Inter-segment elimination HK$'000	Total HK$'000
Turnover	40,720,624	1,186,499	74,888	71,036	1,898,094	-	-	-	43,951,141
Inter-segment turnover	596,888	-	4,807	5,016	-	-	-	(606,711)	-
	41,317,512	1,186,499	79,695	76,052	1,898,094	-	-	(606,711)	43,951,141
Contribution from operations	4,942,200	183,104	124,453	32,497	(83,833)	60,126	-	-	5,258,547
Unallocated income									339,526
Unallocated expenses									(173,840)
Profit from operations before finance cost									5,424,233
Finance cost									(382,591)
Profit from operations									5,041,642
Valuation gains on investment properties	-	-	177,916	-	-	-	-	-	177,916
Share of profits of associates	354,736	64,397	-	-	109,179	-	-	-	528,312
Share of profits less losses of jointly controlled entities	-	160,367	-	-	-	-	-	-	160,367
Profit for the year before taxation									5,908,237
Tax income									139,898
Profit for the year									6,048,135
			(Note)						
Segment assets	28,734,323	10,164,173	2,593,670	238,229	11,477,796	977,942	-	-	54,186,133
Interest in associates	1,914,176	101,181	-	-	1,576	-	-	-	2,016,933
Interest in jointly controlled entities	5,855	445,443	-	-	-	-	401,127	-	852,425
Unallocated assets									956,190
Total assets									58,011,681
Segment liabilities	1,093,231	5,787,706	255,421	102,206	4,727,927	2,516	-	-	11,969,007
Unallocated liabilities									1,622,694
Total liabilities									13,591,701

Note: HK$684,502,000 assets held for sale has been presented in the property investment segment as at 30 June 2006.

Geographical Segments

	Turnover			Profit from operations	
	2007	2006		**2007**	2006
					(Restated)
	HKD'000	HKD'000		**HKD'000**	HKD'000
Hong Kong	**15,753,980**	39,702,203		**3,418,452**	4,480,824
United Kingdom	**3,136,924**	1,898,094		**17,173**	(318,163)
Singapore	**469,482**	1,645,283	Note	**71,484**	555,918
PRC & others	**1,573,613**	705,561	Note	**69,000**	323,063
	20,933,999	43,951,141		**3,576,109**	5,041,642

	Segment assets		Capital expenditure	
	2007	2006	**2007**	2006
	HKD'000	HKD'000	**HKD'000**	HKD'000
Hong Kong	**30,080,856**	28,983,073	**2,728**	3,510
United Kingdom	**12,727,233**	11,051,433	**170,905**	106,554
Singapore	**11,214,175**	6,760,228	**8,856**	6,367
PRC & others	**15,261,024**	11,216,947	**45,048**	1,639
	69,283,288	58,011,681	**227,537**	118,070

Note:

In accordance with applicable Hong Kong Financial Reporting Standards, the Group has recognised revenue arising from the pre-sale of properties upon completion of development projects instead of using the percentage of completion method adopted by GuocoLand Limited ("GLL") as permitted under the relevant Singapore Accounting Standards. Accordingly, operating profits of GLL for the year amounting to HK$42.2 million (2006: HK$28.7 million) and HK$355.7 million (2006: HK$4.7 million) in Singapore and PRC & other regions respectively have been deferred for recognition in the Group accounts. Up to 30 June 2007, accumulated operating profits of GLL totalling HK$71.1 million in Singapore and HK$360.4 million in PRC & other regions have been deferred for recognition, which will only be recognised by the Group upon completion of the relevant development projects in subsequent years.

3. TURNOVER

The principal activity of the Company is investment holding. The principal activities of the subsidiaries which materially affected the results or assets of the Group during the year include proprietary asset management, property development and investment, securities and commodities broking, investment advisory and hotel and gaming operations.

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

	2007	2006
	HK$'000	HK$'000
Proceeds from sale of investments in securities	**14,155,126**	39,689,469
Revenue from sale of properties	**1,631,504**	1,186,499
Revenue from hotel and gaming operations	**3,257,826**	1,898,094
Interest income		
- from listed securities	**1,282**	11,687
- others	**1,569,494**	784,619
Dividend income from listed securities	**141,202**	251,561
Rental income from properties	**100,461**	73,039
Securities commission and brokerage	**58,844**	50,792
Others	**18,260**	5,381
	20,933,999	43,951,141

4. OTHER NET INCOME

	2007	2006
	HK$'000	HK$'000
Net unrealised gains on trading financial assets	**1,336,782**	208,387
Net realised and unrealised gains on derivative financial instruments	**51,895**	70,974
Net exchange gains / (losses) on FX contracts	**44,329**	(16,175)
Other exchange gains	**97,287**	48,734
Net losses on disposal of fixed assets	**(12,671)**	(61,089)
Dilution gain on interest in an associate	**9,474**	-
Real estate tax rebate income	**-**	33,235
Cash distributions from investments	**1,845**	80,347
Write-back of rental yield guarantee provision	**11,131**	-
Others	**14,640**	3,564
	1,554,712	367,977

5. PROFIT FOR THE YEAR BEFORE TAXATION

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

(a) Finance cost

	2007 HK$'000	2006 HK$'000
Interest on bank advances and other borrowings wholly repayable within five years	**603,813**	213,030
Other borrowing costs	**362,978**	262,487
Total borrowing costs	**966,791**	475,517
Less: borrowing costs capitalised into development properties (Note)	**(145,970)**	(92,926)
	820,821	382,591

Note: The borrowing costs have been capitalised at rates of 3.23% to 6.00% per annum (2006: 2.99% to 5.38%).

(b) Staff cost

	2007 HK$'000	2006 HK$'000
Contributions to defined contribution retirement plan	**15,415**	8,798
Expenses recognised in respect of defined benefit retirement plans	**8,614**	9,986
Retirement costs	**24,029**	18,784
Equity settled share-based payment expenses	**13,601**	3,238
Salaries, wages and other benefits	**1,195,181**	790,591
	1,232,811	812,613

(c) Other items

	2007 HK$'000	2006 (Restated) HK$'000
Depreciation	**277,229**	163,978
Impairment loss write-back on properties	**(313,116)**	(125,688)
Impairment loss on fixed assets	**47,706**	-
Amortisation of Bass Strait oil and gas royalty	**46,963**	32,800
Operating lease charges		
- properties	**18,659**	8,503
- others	**15,821**	13,970
Auditors' remuneration		
- audit services	**7,731**	5,987
- tax services	**2,673**	1,219
- other services	**94**	683
Donations	**2,423**	2,485
Recognition of negative goodwill	**(8,567)**	(289,067)
Gross rental income from investment properties	**(100,461)**	(73,039)
Less: direct outgoings	**56,359**	29,624
Net rental income	**(44,102)**	(43,415)
Share of profits of associates:		
- listed	**(275,845)**	(336,512)
- unlisted	**(130,923)**	(191,800)
	(406,768)	(528,312)
Share of profits less losses of jointly controlled entities:		
- unlisted	**(14,453)**	(160,367)

6. TAXATION

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

	2007 HK$'000	2006 HK$'000
Current tax - Provision for Hong Kong Profits Tax		
Tax for the year	**(43,062)**	(104,450)
(Under) / over-provision in respect of prior years	**(1,462)**	5,537
	(44,524)	(98,913)
Current tax - Overseas		
Tax for the year	**21,402**	(118,023)
Over-provision in respect of prior years	**27,413**	38,305
	48,815	(79,718)
Deferred tax		
Over-provision in respect of prior years	**-**	250,350
Origination and reversal of temporary differences	**(14,547)**	68,342
Utilisation of deferred tax asset in relation to tax losses	**-**	(163)
Benefit of previously unrecognised tax losses recognised during the year	**(20,839)**	-
Effect of changes in tax rate on deferred tax balances	**87,391**	-
	52,005	318,529
	56,296	139,898

The provision for Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profits for the year ended 30 June 2007. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

7. DIVIDENDS

	2007 HK$'000	2006 HK$'000
Year 2005/2006: Final dividend paid of HK$3.00 per share (Year 2004/2005: HK$3.00 per share)	**979,290**	978,268
Year 2005/2006: Special dividend paid of HK$1.00 per share (Year 2004/2005: Nil)	**326,427**	-
Year 2006/2007: Interim dividend paid of HK$1.00 per share (Year 2005/2006: HK$1.00 per share)	**325,193**	325,836
	1,630,910	1,304,104
Year 2006/2007: Proposed final dividend of HK$3.30 per share (Year 2005/2006: HK$3.00 per share)	**1,085,870**	987,154
Year 2006/2007: Proposed Nil special dividend (Year 2005/2006: HK$1.00 per share)	**-**	329,051

The proposed final dividend for the year ended 30 June 2007 of HK$1,085,870,000 (2006: HK$987,154,000) is calculated based on 329,051,373 ordinary shares (2006: 329,051,373 ordinary shares) in issue as at 30 June 2007.

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company of HK$4,270,845,000 (2006: HK$5,636,572,000) and the weighted average number of 325,024,511 ordinary shares (2006: 327,317,936 ordinary shares) in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to shareholders of the Company of HK$4,233,692,000 (2006: HK$5,627,961,000) and the weighted average number of 325,024,511 ordinary shares (2006: 327,317,936 ordinary shares) in issue during the year after adjusting for the effect of all dilutive potential ordinary shares.

9. TRADE AND OTHER RECEIVABLES

	2007	2006
	HK$'000	HK$'000
Trade debtors	**2,788,297**	1,436,414
Deposits and prepayments	**1,600,628**	618,001
Derivative financial instruments, at fair value	**16,705**	9,101
Interest receivables	**86,727**	99,954
	4,492,357	2,163,470

Included in the trade and other receivables are amounts of HK$158.7 million (2006: HK$65.2 million) which are expected to be recovered after more than one year.

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

	2007	2006
	HK$'000	HK$'000
Current	**2,607,894**	1,365,534
1 to 3 months overdue	**78,465**	37,785
More than 3 months overdue but less than 12 months overdue	**101,938**	33,095
	2,788,297	1,436,414

Trade and other receivables, which are denominated in a currency other than the functional currency of the entity, are mainly denominated in British pounds, Hong Kong dollars, Singapore dollars, Malaysian Ringgit and Japanese Yen.

10. TRADE AND OTHER PAYABLES

	2007	2006
	HK$'000	HK$'000
Trade creditors	**671,686**	497,742
Other payables and accrued operating expenses	**2,561,666**	1,536,570
Derivative financial instruments, at fair value	**7,723**	25,850
Amounts due to a fellow subsidiary	**134,518**	170,392
Amounts due to associates	**258**	217
Amounts due to jointly controlled entities	**7,848**	-
	3,383,699	2,230,771

Included in trade and other payables are amounts of HK$94.6 million (2006: HK$88.5 million) which are expected to be settled after more than one year.

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

	2007	2006
	HK$'000	HK$'000
Due within 1 month or on demand	**566,284**	451,135
Due after 1 month but within 3 months	**41,937**	12,114
Due after 3 months but within 6 months	**3,260**	497
Over 6 months	**60,205**	33,996
	671,686	497,742

Trade and other payables, which are denominated in a currency other than the functional currency of the entity, are mainly denominated in British pounds, Hong Kong dollars, Singapore dollars and Malaysian Ringgit.

The amounts due to a fellow subsidiary, associates and jointly controlled entities are unsecured, interest free and have no fixed repayment terms.

11. COMPARATIVE INFORMATION

Certain comparative figures in the income statement have been restated to conform with current year presentation and there is no impact on the profit for that year.

12. HONG KONG DOLLAR AMOUNTS

The audited 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 audited consolidated financial statements, which are translated at the rates ruling at the respective financial year ends for presentation purposes only (2007: US$1 = HK$7.81675, 2006: US$1 = HK$7.7652).

DIVIDENDS

The Directors will recommend to the shareholders for approval at the forthcoming annual general meeting a final dividend of HK$3.30 per share, totalling HK$1,086 million payable for the financial year ended 30 June 2007. The proposed final dividend, together with the interim dividend of HK$1.00 per share paid on 16 April 2007, will amount to a total dividend of HK$4.30 per share for the full year, totalling HK$1,415 million (2006: HK$5.00 per share including HK$1.00 per share special dividend, totalling HK$1,645 million). Subject to shareholders' approval at the forthcoming annual general meeting of the company to be held on 23 November 2007, the final dividend will be payable on 29 November 2007 to the shareholders whose names appear on the Register of Members of the Company on 23 November 2007.

REVIEW OF OPERATIONS

Financial Results

The consolidated profit attributable to shareholders for the year ended 30 June 2007, after taxation and minority interests amounted to HK$4,271 million, representing a decrease of 24% over that of last year. Earnings per share amounted to HK$13.14.

The major profit contributions (before finance cost and taxation) arose from the following:

- total realised and unrealised gains on investments of HK$2,111 million;
- total interest income of HK$1,571 million;
- hospitality and leisure business of HK$370 million;
- property operations of HK$511 million;
- contribution from associates and jointly controlled entities of HK$421 million;
- total net exchange gain (including forex contracts) of HK$142 million; and
- dividend income of HK$141 million.

Overall turnover decreased by 52% to HK$20.9 billion. The reduction was mainly attributable to the decrease in proceeds from sale of investments in securities.

Proprietary Asset Management

Global equities performed strongly in the first half of 2007 with a number of major markets reaching all time highs or multi-year highs by the end of our financial year. This happened despite the fact that the long-awaited slowdown in the US housing market finally took place and there were initial sign of weakness coming from the US sub-prime mortgage markets. Good equity performance was underpinned by strong global liquidity, M&A activities and a benign global economic environment. At a micro level, better-than-expected earnings growth and active capital management by companies via share buyback further boosted investors' confidence.

Our investment teams remained active in most of the global and regional markets during the year. In China, continued economic expansion, restructuring in corporate shareholding structure and rapid rise of private entrepreneurs presented tremendous investment opportunities. Our portfolio generated attractive returns from investing in a number of PRC related counters listed in Hong Kong and Singapore. Within the ASEAN region, we benefited from a revival of investors' interests in Malaysia and a sustained rise in the Singapore market. We also traded successfully in Thailand by taking advantage of the volatility resulting from its domestic political issues. In the developed markets, our focus was to search for under-valued counters.

Given that equity prices generally traded at high levels, our investment team adopted a conservative stance in managing the investment portfolio. The portfolio size was regularly reviewed and our investment approach remained to be stock focus. More effort was devoted in looking for suitable strategic investment opportunities that offered strong fundamental backing with better likelihood of value creation in spite of market volatility. Besides targeting blue chips, we also examined a number of well-managed medium-sized companies with a view of building long-term holdings.

Property Development and Investment

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

For the year, the GLL Group reported a net profit of S$281.9 million, an increase of 81% compared to the previous year.

In accordance with applicable Hong Kong Financial Reporting Standards, the Group has recognised revenue arising from pre-sale of properties upon completion of development projects instead of using the percentage of completion method adopted by GLL as permitted under the relevant Singapore Accounting Standards. Accordingly, operating profits of GLL for the year amounting to S$78.6 million have been deferred for recognition in our Group accounts. Up to 30 June 2007, accumulated operating profits of GLL totalling S$85.7 million have been deferred for recognition, which will only be recognised by the Group upon completion of the relevant development projects in subsequent years.

The GLL Group's revenue and cost of sales increased by 94% and 72% respectively as compared to the previous year mainly due to higher revenue and cost of sales recognised from its property development projects in Singapore and China. Increased sales and higher selling prices contributed to the higher revenue recognised from the property development projects in Singapore.

Gross profit increased from S$42.6 million to S$154.4 million mainly due to higher profits and writeback of provision for property development projects in Singapore and profits recognised from the sale of units in West End Point in Beijing.

Other income increased by 33% to S$194.7 million for the year and comprised a revaluation gain of S$116.5 million on the investment properties in Singapore, profit of S$29.6 million from the sale of investments, profit of S$16.9 million from the sale of a subsidiary which owned a hotel in Hanoi and net foreign exchange gain of S$12.7 million.

Finance costs increased by 42% to S$32.4 million due to an increase in total bank loans and borrowings from S$1.2 billion to S$2.0 billion as at 30 June 2007. The increase in bank loans and borrowings was mainly due to the drawdown of new bank loans and the issue of convertible bonds.

In April 2007, GLL announced a S$690 million convertible bond issue due 2012 and a renounceable 1 for 3 rights issue at S$2.50 per share for the purpose of funding acquisitions and for working capital requirements of the GLL Group's various projects. GLL received net proceeds of approximately S$683 million from the convertible bond issue which was completed in May 2007 and approximately S$555 million from the rights issue which closed in July 2007.

Singapore

The GLL Group has four developments on the market in Singapore: Le Crescendo, The Quartz, The View @ Meyer and The Boulevard Residence. Sanctuary Green and The Stellar are now fully sold.

During the year, the GLL Group has completed the acquisition of Casa Rosita condomium at Orchard/Scotts area. This freehold site will be developed as an upmarket development to be called "Goodwood Residence" and is expected to be launched within the next twelve months.

The GLL Group has also entered into respective conditional collective sale and purchase agreements to acquire the freehold properties known as Sophia Residence condominium located at Mount Sophia, Palm Beach Garden located at Elliot Road near the East Coast Park and Leedon Heights located in District 10, off Holland Road and Farrer Road for redevelopment. With these acquisitions, the GLL Group's landbank in Singapore, in terms of saleable area, will be approximately 236,000 square metres (2.5 million square feet).

The Singapore economy expanded by an estimated 8.2% in the second quarter of 2007, up from 6.4% in the previous quarter. Statistics/Data by Urban Redevelopment Authority showed that property prices increased by 8.3% in the second quarter of 2007, compared with 4.8% increase in the first quarter of 2007. The increase in property prices in the second quarter of 2007 appears to be broad based with all segments of the property market registering an increase. Despite recent property measures including an increase in the development charge by the government and the recent market volatility in the world equity markets, the GLL Group remains positive that demand for private residential properties from both local and foreign homebuyers will remain sustainable in tandem with the economic growth in Singapore and the Asian countries.

China

West End Point, a 810-unit residential development located within the Second Ring Road in Feng Sheng, Xicheng District of Beijing, was launched during the year.

Changfeng City is another integrated property project of the GLL Group located in Putuo District of Shanghai. This site can be developed into a modern integrated SOHO, commercial, hotel and retail development. Piling for Phase 1 of this project has been completed.

Ascot Park, located in Qixia District, Nanjing, comprises 2 plots designated primarily for residential development with about 25% of its saleable area being designated for commercial development. The GLL Group expects to launch this 1,112-unit condominium in the second half of 2007. This will be the GLL Group's maiden project in Nanjing where there has been steady demand from a growing pool of aspiring homeowners.

In April 2007, the GLL Group entered into a conditional share acquisition agreement with Beijing Beida Jade Bird Company Limited ("BBJB Co") and its related corporations to acquire a 90% interest in Beijing Cheng Jian Dong Hua Real Estate Development Company Limited ("Beijing Cheng Jian Project Co") which owns the land use and development rights to a prime land parcel of 106,000 square metres located along Dongzhimen Road on the East Second Ring Road in the Dongcheng District of Beijing ("Dongzhimen Site") for a purchase consideration of RMB5.8 billion. This site is currently being developed into an integrated retail, hotel, office, residential and transportation terminal hub comprising two metro stations, a bus interchange and an express rail link with flight check-in services giving a quick 15-minute access to the Beijing International Airport. To date, the GLL Group has paid RMB1.2 billion of the purchase consideration and currently holds a 45% stake in Beijing Cheng Jian Project Co.

In May 2007, the GLL Group completed the acquisition of a 100% stake in a PRC project company which holds the land use and development rights to a land parcel known as Plot 12 in Laochengxiang area in the Nankai District of Tianjin with land area of approximately 26,000 square metres. This acquisition marks the GLL Group's entry into Tianjin, which is being developed into a major commercial, industrial and financial centre in northern China.

Including the Tianjin Laochengxiang and Dongzhimen acquisitions, the GLL Group has approximately 2 million square metres of gross floor area in China.

China registered strong economic growth of 11.9% in the second quarter of 2007, the highest in 12 years. Recent property regulations which include the tightening of investment approval and restrictions on foreign currency debt for foreign real estate companies are expected to have limited impact on the GLL Group's long-term strategy for China. The GLL Group expects domestic demand for private housing to continue to be sustained by the robust economy and the increasingly affluent urban populations.

Malaysia

The GLL Group's 64.98% subsidiary, GuocoLand (Malaysia) Berhad ("GLM") which is listed on Bursa Malaysia Securities Berhad, currently has eight ongoing mixed residential development projects in the Klang Valley, located in the northern growth corridors in Rawang and Sungai Buloh, the southern growth corridors in Cheras, Kajang and Sepang and at old Klang Road near Kuala Lumpur city.

Earthwork and piling for GLM's 8.5-acre integrated commercial development project in Damansara Heights, comprising luxury condominiums, office towers, serviced apartments, a 5-star boutique hotel and a lifestyle retail mall, is in progress. This flagship project, which is slated for launch in early 2008, will be an iconic landmark in the Damansara Heights area.

In August 2007, GLM entered into a Share Sale and Purchase Agreement to acquire 100% equity interests in Titan Debut Sdn Bhd ("TDSB") for a cash consideration of RM71 million. TDSB had in April 2007 entered into sale and purchase agreements with Oval Residences Sdn Bhd to purchase the entire 140 units of serviced apartments of a total built-up area of approximately 586,000 square feet together with respective accessory parcels in the project known as the "Oval Apartments" for a total cash consideration of RM404.6 million. The Oval Apartments are situated on freehold land along Jalan Binjai in Kuala Lumpur City Centre and face the KLCC Park. The development of the Oval Apartments is currently approximately 30% completed and is expected to be fully completed by December 2008. GLM intends to put the apartments on the market for sale during the financial year ending 30 June 2008.

The positive economic outlook for Malaysia in 2007 is supported by higher domestic demand and public spending under the Ninth Malaysian Plan, and the recent measures by the government which include the abolition of property gains tax to liberalise the property market, are expected to have positive effects on the property market. The GLL Group expects the demand for quality residential housing to remain sustainable in the short and medium term.

Vietnam

Preparation for master plan submission to the relevant authorities is in progress for the GLL Group’s integrated development project located next to the Vietnam Singapore Industrial Park in Binh Duong Province, 17 kilometres north of Ho Chi Minh City. This integrated hub will have residential, retail, entertainment, sports and other commercial facilities. Phase 1 of the residential component of the project is expected to be launched in the financial year ending 30 June 2008.

Vietnam is one of the fastest growing economies in Asia. The economy grew 8.2% in 2006 and 7.9% in the first half of 2007. Vietnam’s accession into World Trade Organisation in January 2007 and the changes in local regulations in recent years to encourage foreign direct investments have a positive impact on the economy and the property market. With a young demographic profile and rising affluence, the GLL Group expects demand for quality housing to increase in the coming year.

Hospitality and Leisure Business

BIL International Limited (“BIL”) – 59.3% controlled by Guoco

BIL recorded a profit before tax for the year of US$4.8 million compared to loss before tax of US$21.8 million in the previous year.

The revenue increased by 27% compared with the previous year, contributed mainly by the BIL Group’s hotels segment. Last year’s result was adversely impacted by the July 2005 London bombings. Occupancy and average room rate have both enjoyed growth as illustrated below:

July to June	London		Provincial		Total	
	2007	2006	**2007**	2006	**2007**	2006
Occupancy %	**79.6**	77.2	**71.1**	69.8	**76.0**	74.0
Average Room Rate (£)	**95.6**	81.9	**60.3**	58.1	**81.5**	72.3
RevPar (£)	**76.1**	63.3	**42.9**	40.6	**61.9**	53.5
Revenue (£ m)	**214.5**	184.8	**122.9**	117.9	**337.4**	302.7

Revenue in the property development segment has remained steady compared with last year.

The acquisition of the Clermont Club was completed on 1 December 2006 and the BIL Group has consolidated the results from the company.

Other operating income improved from US$11.3 million for the previous year to US$19.1 million for the year. Management fees earned by the BIL Group's hotels segment have contributed to this improvement.

Clermont Leisure (UK) Limited has 4 gaming licences, 3 of which are greenfield licences, approved by the UK Gambling Commission. There are a further 24 approved Certificates of Consent. These Certificates of Consent are progressing through the various stages of planning approvals and licensing hearings. A number of the gaming applications have been made for integration into Guoman Hotels in London as well as other strategic sites.

The BIL Group has an entitlement to 55.11% of 2.5% royalties on the Bass Strait oil and gas produce. In 1997, the entitlement to the royalties was monetised into 44 million units for a 10-year period held by the Bass Strait Oil Trust. With the expiration of the 44 million units in July 2007, all future royalty payments from April 2007 onwards belong to the BIL Group.

Camerlin Group Berhad ("CGB") – 67.4% controlled by Guoco

CGB recorded a pre-tax profit of RM9.5 million for the year. The profit was mainly due to its share of profits of RM10.3 million from BIL, of which CGB holds 22.3% interests.

CGB announced in February 2007 a proposed capital distribution of substantially all its interests in BIL of approximately 303 million shares, to its shareholders via a reduction of its share capital and cancellation of its share premium reserve which will result in the reduction of the par value of CGB shares from RM1.00 to RM0.13. The ordinary shares of the reduced par value of RM0.13 will then be consolidated into shares of RM1.00 each. The aforesaid proposals are subject to, among others, the approvals of relevant regulatory authorities, shareholders of CGB and the sanction of the High Courts.

Financial Services

Hong Leong Financial Group Berhad ("HLFG") – 25.4% owned by Guoco

The HLFG Group recorded a profit before tax of RM985.7 million for the year as compared to RM859.3 million in the previous year, an increase of RM126.4 million or 15%. This was mainly due to higher contributions from the HLFG Group's three main operating businesses.

The banking division recorded a profit before tax of RM856.6 million for the year as compared to RM764.2 million in the previous year, an increase of RM92.4 million or 12%. This was mainly due to higher net income which was spurred by strong growth in business volumes as well as lower loan loss provisions.

The insurance division recorded a profit before tax of RM120.1 million for the year as compared to RM91.9 million in the previous year, an increase of RM28.2 million or 31%. The increase was mainly due to higher premium income and gains on investments.

The stockbroking and asset management division recorded a profit before tax of RM37.9 million for the year as compared to RM27.8 million in the previous year, an increase of RM10.1 million or 36%. The increase was mainly due to higher brokerage income arising from higher Bursa volumes experienced during the year.

Financial Commentary

Capital and Finance

- The Group's consolidated total equity (including minority interests) as at 30 June 2007 amounted to HK$48.4 billion, an increase of 9% comparing to the total equity as at 30 June 2006.
- The Group's consolidated total equity attributable to shareholders of the Company as at 30 June 2007 amounted to HK$40.5 billion, an increase of HK$3.6 billion comparing to the figure as at 30 June 2006.

Total Cash and Liquid Funds

As at 30 June 2007, the Group has net liquid funds of HK$17.9 billion, comprising total cash balance of HK$24.7 billion and marketable securities of HK$9.2 billion and after netting off the total borrowings of HK$16.0 billion.

Total Borrowings

The increase in total borrowings from HK$9.7 billion as at 30 June 2006 was primarily due to the drawdown of new bank loans and the issue of the convertible bonds by GLL to finance the acquisitions in Singapore and China and increase in borrowings of BIL for funding its newly established gaming segment and new projects in property and development segments. The Group's total borrowings are mainly denominated in Singapore dollars (49%), British pounds (31%) and US dollars (16%).

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

	Bank loans HK$'M	Mortgage debenture stock HK$'M	Convertible bonds HK$'M	Other borrowings HK$'M	Total HK$'M
On demand or within 1 year	1,901	-	-	21	1,922
After 1 year but within 2 years	2,904	-	-	1,327	4,231
After 2 years but within 5 years	1,841	-	3,187	587	5,615
After 5 years	12	4,173	-	-	4,185
	4,757	4,173	3,187	1,914	14,031
	6,658	4,173	3,187	1,935	15,953

The loans are secured by the following:

- legal mortgages on investment properties with an aggregate book value of HK$84 million;
- legal mortgages on development properties with an aggregate book value of HK$6,502 million; and
- legal mortgages on property, plant and equipment with an aggregate book value of HK$8,378 million.

Committed borrowing facilities available to Group companies and not yet drawn as at 30 June 2007 amounted to approximately HK$3,928 million.

Interest Rate Exposure

As at 30 June 2007, approximately 41% of the Group's borrowings were at floating rates and the remaining 59% were at fixed rates. The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. When considered appropriate, the Group may use interest rate swap contracts to manage the interest rate exposure.

Foreign Currency Exposure

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

Contingent Liabilities

A subsidiary of the Group, BIL, had contingent liabilities of approximately HK$40 million in relation to the guarantees of investment performance. In addition, BIL has given a guarantee to the owner of the 28 hotel businesses sold in 2002 in relation to the aggregate Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of the business. The maximum liability on any one year under the guarantee was HK$512 million and the maximum aggregate liability under the guarantee was approximately HK$1,024 million. BIL's expectation is that the future annual EBITDA will be in excess of the guaranteed amount.

GuocoLand (China) Limited ("GLC"), the Group's subsidiary, had signed a conditional share acquisition agreement with Beijing Beida Jade Bird Company Limited and its related corporations to acquire a 90% stake in Beijing Cheng Jian Dong Hua Real Estate Development Company ("Project Co") which owns the land use and development rights to a land parcel located along Dongzhimenwai Dajie in the Dong Cheng District of Beijing.

The Project Co is a co-defendant in a civil litigation in Beijing, the PRC, brought by Shenzhen Development Bank ("SDB"). The claim by SDB against the Project Co appears to have arisen in connection with the claim by SDB against the guarantor of certain alleged loans granted by SDB to certain borrowers. The guarantor was a joint venture company between the Project Co and another party. SDB is seeking an order for the transfer of the Dongzhimen Site from the Project Co to the guarantor. As at 30 June 2007, the claim by SDB against the Project Co is still pending adjudication by the People's High Court of Beijing.

GLC has obtained a legal opinion from its PRC lawyers that SDB's claim against the Project Co does not have sufficient legal and contractual basis. The Company is of the view that based on latest available information, there is not likely to be any material financial impact on the Group.

Human Resources and Training

The Group, including its subsidiaries in Hong Kong and overseas, employed approximately 3,100 as at 30 June 2007. The Group continued to follow a measured approach towards achieving an optimal and efficient size of its workforce and is committed to providing its staff with ongoing development programmes to enhance productivity and work quality.

The remuneration policy for the Group’s employees is reviewed by management on a regular basis. Remuneration packages are structured to take into account the level and composition of pay and general market conditions in the respective countries and businesses in which the Group operates. Bonus and other merit payments are linked to the financial performance of the Group and individual achievement as incentives to optimise performance. Share options may also be granted in accordance with the approved share option schemes or plans adopted by the Company and its subsidiaries to eligible employees to reward their contribution and foster loyalty towards the Group.

OUTLOOK

Our core businesses are doing well with potential for further growth. We intend to broaden the income streams from our core businesses to be more balanced. As income from asset management is dependent on market conditions, it could on that basis be uneven.

We see challenging times ahead. With our strong balance sheet, however, we have the resources to take on new opportunities from time to time. Overall, we take a cautious view of markets as the US sub-prime and other credit excesses and associated issues work their way through the global economy. However, we remain cautiously optimistic that our respective core businesses will benefit from the underlying strength of the economies of the respective region.

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

During the year 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 ("CGP Code")

The Company has complied throughout the year with the CGP Code adopted by the Company based on the principles set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, save that non-executive directors were not appointed for a specific term. However, they are subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Bye-Laws of the Company. As such, the Company considers that such provisions are sufficient to meet the intent of the relevant provisions of the CGP Code.

REVIEW BY BOARD AUDIT COMMITTEE ("BAC")

The BAC has reviewed with the management the accounting principles and practices adopted by the Company and discussed the auditing, internal controls and financial reporting matters including a review of the audited annual results of the Company for the year ended 30 June 2007.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 20 November 2007 to 23 November 2007, both days inclusive, during which period no share transfers will be registered.

To qualify for the final dividend and for attending and voting at the forthcoming annual general meeting of the Company to be held on 23 November 2007, all 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 19 November 2007.

As at the date of this announcement, the board of directors of the Company comprises Mr. Quek Leng Chan as Executive Chairman; Mr. Kwek Leng Hai as President, CEO; Mr. Tan Lim Heng and Mr. James Eng, Jr. as executive directors; Mr. Kwek Leng San as non-executive director and Mr. Sat Pal Khattar, Mr. Volker Stoeckel and Mr. Ding Wai Chuen as independent non-executive directors.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 14 September 2007