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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 2012

FINANCIAL HIGHLIGHTS		2012	2011	<i>Increase/ (Decrease)</i>
		HK\$'M	HK\$'M	
Turnover		21,493	37,528	(43%)
Revenue		12,757	7,662	66%
(Loss)/profit from operations before finance cost		(1,077)	2,968	N/A
(Loss)/profit attributable to shareholders of the Company		(1,294)	4,159	N/A
(Loss)/earnings per share		HK\$ (3.98)	HK\$ 12.80	N/A
Dividend per share:	Interim	0.50	1.00	
	Proposed final	1.70	2.20	
	Total	2.20	3.20	(31%)
Equity per share attributable to shareholders of the Company		134.32	148.94	(10%)

RESULTS

The consolidated results of Guoco Group Limited (the “Company”) and its subsidiaries (the “Group”) for the financial year ended 30 June 2012 together with comparative figures for the previous year are as follows:

CONSOLIDATED INCOME STATEMENT

	Note	2012 HK\$'000	2011 HK\$'000
Turnover	2 & 3	<u>21,492,748</u>	<u>37,528,009</u>
Revenue	2 & 3	12,756,613	7,662,110
Cost of sales		(6,770,679)	(3,639,105)
Other attributable costs		<u>(224,183)</u>	<u>(179,635)</u>
		5,761,751	3,843,370
Other revenue		613,806	565,714
Other net (losses)/income	4	(2,880,848)	838,411
Administrative and other operating expenses		<u>(4,571,771)</u>	<u>(2,279,620)</u>
(Loss)/profit from operations before finance cost		(1,077,062)	2,967,875
Finance cost	2(b) & 5(a)	(800,567)	(541,651)
(Loss)/profit from operations	2	(1,877,629)	2,426,224
Valuation surplus on investment properties		24,803	446,923
Profit on disposal of an associate		-	324,738
Share of profits of associates	5(c)	760,236	1,686,418
Share of profits less losses of jointly controlled entities	5(c)	37,414	58,252
(Loss)/profit for the year before taxation	2 & 5	<u>(1,055,176)</u>	<u>4,942,555</u>
Tax expenses	6	<u>(167,162)</u>	<u>(341,502)</u>
(Loss)/profit for the year		<u>(1,222,338)</u>	<u>4,601,053</u>
Attributable to :			
Shareholders of the Company		(1,293,754)	4,159,400
Non-controlling interests		71,416	441,653
(Loss)/profit for the year		<u>(1,222,338)</u>	<u>4,601,053</u>
Appropriations:			
Final dividend paid in respect of prior year	7	(712,530)	(652,644)
Interim dividend paid in respect of current year	7	<u>(162,252)</u>	<u>(324,209)</u>
		<u>(874,782)</u>	<u>(976,853)</u>
(Loss)/earnings per share		HK\$	HK\$
Basic	8	<u>(3.98)</u>	12.80
Diluted	8	<u>(3.98)</u>	12.80
		HK\$'000	HK\$'000
Proposed final dividend	7	<u>559,387</u>	<u>723,913</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2012 HK\$'000	2011 HK\$'000
(Loss)/profit for the year	<u>(1,222,338)</u>	<u>4,601,053</u>
Other comprehensive income for the year (after tax and reclassification adjustments)		
Exchange differences on translation of financial statements of foreign subsidiaries, associates and jointly controlled entities	(676,341)	1,566,817
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	88,300	(172,848)
Changes in fair value of available-for-sale financial assets	(1,450,639)	1,331,881
Transfer to profit or loss :		
- disposal of an available-for-sale financial asset	(724,784)	1,004
- impairment loss of an available-for-sale financial asset	78,815	-
Release of valuation reserve upon disposal of properties	(279)	-
Actuarial losses on defined benefit obligation	(92,450)	(69,256)
Share of other comprehensive income of associates	(4,320)	538,374
Other comprehensive income for the year, net of tax	<u>(2,781,698)</u>	<u>3,195,972</u>
Total comprehensive income for the year	<u>(4,004,036)</u>	<u>7,797,025</u>
Total comprehensive income for the year attributable to:		
Shareholders of the Company	(3,682,913)	6,881,513
Non-controlling interests	(321,123)	915,512
	<u>(4,004,036)</u>	<u>7,797,025</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2012 HK\$'000	2011 HK\$'000
NON-CURRENT ASSETS			
Fixed assets			
- Investment properties		11,780,345	10,789,900
- Other property, plant and equipment		14,335,456	14,271,504
Interest in associates		5,335,474	4,886,320
Interest in jointly controlled entities		872,673	938,439
Available-for-sale financial assets		11,553,905	11,178,229
Deferred tax assets		182,402	112,604
Intangible assets		7,446,019	8,021,877
Goodwill		529,089	534,755
		<u>52,035,363</u>	<u>50,733,628</u>
CURRENT ASSETS			
Development properties		32,323,125	27,470,975
Properties held for sale		1,596,480	1,864,792
Trade and other receivables	9	3,064,096	4,269,903
Trading financial assets		9,512,333	16,922,533
Cash and short term funds		8,800,090	15,591,423
		<u>55,296,124</u>	<u>66,119,626</u>
CURRENT LIABILITIES			
Trade and other payables	10	5,920,110	5,670,285
Current portion of bank loans and other borrowings		14,968,759	30,369,867
Taxation		1,025,463	1,440,539
Provisions and other liabilities		85,563	128,753
		<u>21,999,895</u>	<u>37,609,444</u>
NET CURRENT ASSETS		<u>33,296,229</u>	<u>28,510,182</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>85,331,592</u>	<u>79,243,810</u>
NON-CURRENT LIABILITIES			
Non-current portion of bank loans and other borrowings		28,880,715	17,044,811
Amount due to non-controlling interests		723,365	602,782
Provisions and other liabilities		727,669	665,470
Deferred tax liabilities		232,148	695,759
		<u>30,563,897</u>	<u>19,008,822</u>
NET ASSETS		<u>54,767,695</u>	<u>60,234,988</u>
CAPITAL AND RESERVES			
Share capital		1,276,039	1,280,415
Reserves		42,922,092	47,727,066
Equity attributable to shareholders of the Company		44,198,131	49,007,481
Non-controlling interests		10,569,564	11,227,507
TOTAL EQUITY		<u>54,767,695</u>	<u>60,234,988</u>

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.

(b) The HKICPA has issued certain new and revised HKFRSs and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. The adoption of the revised standards and amendments would have no material impact on the Group's results and financial positions.

The Group has not applied any new/revised standard or interpretation that is not yet effective for the current accounting period.

(c) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 June 2012 comprise the Group and its 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 REPORTING

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

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

Performance is evaluated on the basis of profit or loss from operations before taxation. Inter-segment pricing is determined on an arm's length basis. The Group's measurement methods used to determine reported segment profit or loss remain unchanged from Year 2010/11.

2. SEGMENT REPORTING (cont'd)

Information regarding the Group's reportable segments for the purposes of resource allocation and assessment of segment performance for the 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 business HK\$'000	Securities, commodities and brokerage HK\$'000	Oil and gas HK\$'000	Financial services HK\$'000	Total HK\$'000
Segment revenue and profit or loss							
For the year ended 30 June 2012							
Turnover	9,577,381	1,678,568	10,182,058	54,741	-	-	21,492,748
Revenue from external customers	841,246	1,678,568	10,182,058	54,741	-	-	12,756,613
Inter-segment revenue	10,145	7,531	-	7,097	-	-	24,773
Reportable segment revenue	851,391	1,686,099	10,182,058	61,838	-	-	12,781,386
Operating (loss)/profit	(2,154,831)	(313,988)	1,013,333	5,266	381,309	-	(1,068,911)
Finance cost	(123,621)	(342,211)	(342,475)	(411)	-	-	(808,718)
Valuation surplus on investment properties	-	24,803	-	-	-	-	24,803
Share of profits of associates	-	22,290	-	-	-	737,946	760,236
Share of profits less losses of jointly controlled entities	-	37,414	-	-	-	-	37,414
(Loss)/profit before taxation	(2,278,452)	(571,692)	670,858	4,855	381,309	737,946	(1,055,176)
Segment assets and liabilities							
As at 30 June 2012							
Reportable segment assets	24,469,637	51,961,636	23,346,559	308,365	1,037,143	-	101,123,340
Interest in associates	-	309,350	-	-	-	5,026,124	5,335,474
Interest in jointly controlled entities	-	872,673	-	-	-	-	872,673
Total assets	24,469,637	53,143,659	23,346,559	308,365	1,037,143	5,026,124	107,331,487
Reportable segment liabilities	8,473,778	35,931,255	8,112,379	44,712	1,668	-	52,563,792

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 business HK\$'000	Securities, commodities and brokerage HK\$'000	Oil and gas HK\$'000	Financial services HK\$'000	Total HK\$'000
Segment revenue and profit or loss							
For the year ended 30 June 2011							
Turnover	30,573,596	2,952,981	3,934,371	67,061	-	-	37,528,009
Revenue from external customers	707,697	2,952,981	3,934,371	67,061	-	-	7,662,110
Inter-segment revenue	23,892	7,931	-	5,432	-	-	37,255
Reportable segment revenue	731,589	2,960,912	3,934,371	72,493	-	-	7,699,365
Operating profit	1,338,028	620,923	708,140	15,386	307,290	-	2,989,767
Finance cost	(39,340)	(208,289)	(311,742)	(1,121)	(3,051)	-	(563,543)
Valuation surplus on investment properties	-	446,923	-	-	-	-	446,923
Profit on disposal of an associate	324,738	-	-	-	-	-	324,738
Share of profits of associates	5,821	53,427	497,789	-	-	1,129,381	1,686,418
Share of profits less losses of jointly controlled entities	-	58,252	-	-	-	-	58,252
Profit before taxation	1,629,247	971,236	894,187	14,265	304,239	1,129,381	4,942,555
Segment assets and liabilities							
As at 30 June 2011							
Reportable segment assets	34,970,120	49,813,596	24,701,201	410,695	1,132,883	-	111,028,495
Interest in associates	-	318,076	-	-	-	4,568,244	4,886,320
Interest in jointly controlled entities	-	938,439	-	-	-	-	938,439
Total assets	34,970,120	51,070,111	24,701,201	410,695	1,132,883	4,568,244	116,853,254
Reportable segment liabilities	10,443,449	34,882,381	11,172,734	118,869	833	-	56,618,266

2. SEGMENT REPORTING (cont'd)

(b) Reconciliations of reportable segment revenue and finance cost

Revenue

	2012 HK\$'000	2011 HK\$'000
Reportable segment revenue	12,781,386	7,699,365
Elimination of inter-segment revenue	<u>(24,773)</u>	<u>(37,255)</u>
Consolidated revenue (note 3)	<u><u>12,756,613</u></u>	<u><u>7,662,110</u></u>

Finance cost

	2012 HK\$'000	2011 HK\$'000
Reportable finance cost	(808,718)	(563,543)
Elimination of inter-segment finance cost	<u>8,151</u>	<u>21,892</u>
Consolidated finance cost (note 5 (a))	<u><u>(800,567)</u></u>	<u><u>(541,651)</u></u>

2. SEGMENT REPORTING (cont'd)

(c) Geographical information

The following table sets out information about 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 and deferred tax assets ("specified non-current assets"). The geographical information is classified by reference to the location of the income generating entities.

	Revenue from external customers		(Loss)/profit from operations	
	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The People's Republic of China				
Hong Kong	906,155	781,661	(2,207,656)	1,308,019
Mainland China	277,031	2,466,251	(Note) (340,738)	496,224
United Kingdom and				
Continental Europe	9,896,310	3,684,757	676,287	390,220
Singapore	1,415,652	304,177	(Note) (341,738)	(20,694)
Australasia and others	261,465	425,264	(Note) 336,216	252,455
	12,756,613	7,662,110	(1,877,629)	2,426,224
	Segment assets		Specified non-current assets	
	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The People's Republic of China				
Hong Kong	24,726,813	35,219,291	397,402	397,146
Mainland China	24,394,762	21,078,641	1,116,897	1,152,246
United Kingdom and				
Continental Europe	20,952,801	22,195,073	18,829,800	19,122,562
Singapore	24,145,730	25,776,735	11,269,336	10,371,990
Australasia and others	13,111,381	12,583,514	8,685,621	8,398,851
	107,331,487	116,853,254	40,299,056	39,442,795

Note:

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

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

2. SEGMENT REPORTING (cont'd)

(c) Geographical information (cont'd)

Accordingly, operating profits of GuocoLand for the year amounting to HK\$1.1 billion in Singapore have been deferred for recognition in the Group accounts. The Group has recognised operating profits of GuocoLand of HK\$38.8 million which have been deferred in previous years in Singapore. Up to 30 June 2012, accumulated operating profits of GuocoLand totalling HK\$1.7 billion in Singapore have been deferred for recognition, and will be recognised by the Group upon completion of the relevant development projects in subsequent years.

In the previous year ended 30 June 2011, operating profits of GuocoLand for the year amounting to HK\$575.9 million and HK\$71.6 million in Singapore and Mainland China & other countries respectively had been deferred for recognition in the Group accounts. The Group had recognised operating profits of GuocoLand which had been deferred in previous years amounting to HK\$nil and HK\$428.0 million in Singapore and Mainland China & other countries respectively for those development projects completed during the year. Up to 30 June 2011, accumulated operating profits of GuocoLand totalling HK\$816.4 million in Singapore and HK\$89.5 million in Mainland China & other countries had been deferred.

3. TURNOVER AND REVENUE

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 principal investment, 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 turnover and revenue from principal activities during the year is as follows:

	2012 HK\$'000	2011 HK\$'000
Revenue from sale of properties	1,470,571	2,749,835
Revenue from hotel and gaming operations	10,077,564	3,862,625
Interest income		
- from listed securities	1,745	15,573
- others	180,440	203,651
Dividend income from listed securities	817,847	601,319
Rental income from properties	124,745	150,435
Securities commission and brokerage	38,213	50,500
Others	45,488	28,172
Revenue	<u>12,756,613</u>	7,662,110
Proceeds from sale of investments in securities	<u>8,736,135</u>	29,865,899
Turnover	<u><u>21,492,748</u></u>	<u><u>37,528,009</u></u>

Revenue is used in presenting segmental information in note 2.

4. OTHER NET (LOSSES)/INCOME

	2012 HK\$'000	2011 HK\$'000
Net realised and unrealised (losses)/gains on trading financial assets	(2,983,381)	468,784
Net realised and unrealised losses on derivative financial instruments	(52,616)	(25,915)
Net realised gains on disposal of available-for-sale financial assets	488,983	12,078
Impairment loss on an available-for-sale financial asset	(457,781)	-
Gain on derecognition of an associate	-	16,545
Net gains/(losses) on foreign exchange contracts	105,224	(981)
Other exchange gains	8,842	360,818
Net (losses)/gains on disposal of fixed assets	(3,529)	1,323
Other income	13,410	5,759
	<u>(2,880,848)</u>	<u>838,411</u>

5. (LOSS)/PROFIT FOR THE YEAR BEFORE TAXATION

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

(a) Finance cost

	2012 HK\$'000	2011 HK\$'000
Interest on bank advances and other borrowings wholly repayable within five years	1,222,260	681,322
Other borrowing costs	306,907	300,488
Total borrowing costs	<u>1,529,167</u>	<u>981,810</u>
Less: borrowing costs capitalised into:		
- development properties	(522,597)	(440,159)
- investment properties	(179,703)	-
- property, plant and equipment	(26,300)	-
Total borrowing costs capitalised (Note)	<u>(728,600)</u>	<u>(440,159)</u>
	<u>800,567</u>	<u>541,651</u>

Note: The borrowing costs have been capitalised at rates 0.85% to 7.36% per annum (2011: 0.66% to 6.36%).

(b) Staff cost

	2012 HK\$'000	2011 HK\$'000
Contributions to defined contribution retirement plan	52,375	25,791
Expenses recognised in respect of defined benefit retirement plans	3,676	-
Total retirement costs	<u>56,051</u>	<u>25,791</u>
Equity settled share-based payment (forfeited)/expensed	(52,236)	16,981
Salaries, wages and other benefits	3,335,000	1,281,847
	<u>3,338,815</u>	<u>1,324,619</u>

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

(c) Other items

	2012 HK\$'000	2011 HK\$'000
Depreciation	663,304	259,358
Write-back of allowance for foreseeable losses on development properties	(58,898)	(10,919)
Impairment loss on intangible assets	140,978	-
Amortisation		
- Bass Strait oil and gas royalty	34,529	33,402
- casino licences and brand name	74,154	5,845
Operating lease charges		
- properties	478,931	69,061
- others	91,682	29,075
Auditors' remuneration		
- audit services	14,077	13,316
- tax services	3,746	148
- other services	5,972	8,335
Donations	<u>5,576</u>	<u>2,467</u>
Gross rental income from investment properties	(124,745)	(150,435)
Less: direct outgoings	<u>52,817</u>	<u>32,305</u>
Net rental income	<u>(71,928)</u>	<u>(118,130)</u>
Share of (profits)/losses of associates:		
- listed	(761,113)	(1,650,556)
- unlisted	<u>877</u>	<u>(35,862)</u>
	<u>(760,236)</u>	<u>(1,686,418)</u>
Share of profits less losses of jointly controlled entities:		
- unlisted	<u>(37,414)</u>	<u>(58,252)</u>

6. TAX EXPENSES

Tax expenses in the consolidated income statement represents:

	2012 HK\$'000	2011 HK\$'000
Current tax - Hong Kong Profits Tax		
Tax for the year	(70)	(22,631)
(Under)/over-provision in respect of prior years	<u>(6,709)</u>	<u>1,330</u>
	<u>(6,779)</u>	<u>(21,301)</u>
Current tax - Overseas		
Tax for the year	(524,807)	(305,547)
(Under)/over-provision in respect of prior years	<u>(41,308)</u>	<u>31,838</u>
	<u>(566,115)</u>	<u>(273,709)</u>
Deferred tax		
Origination and reversal of temporary differences	446,714	(22,600)
Utilisation of deferred tax asset in relation to tax losses	(35,848)	(23,254)
Effect of changes in tax rate on deferred tax balances	<u>(5,134)</u>	<u>(638)</u>
	<u>405,732</u>	<u>(46,492)</u>
	<u>(167,162)</u>	<u>(341,502)</u>

The provision for Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profits for the year ended 30 June 2012. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

7. DIVIDENDS

	2012 HK\$'000	2011 HK\$'000
Year 2010/2011:		
Final dividend paid of HK\$2.20 per ordinary share (Year 2009/2010: HK\$2.00 per ordinary share)	712,530	652,644
Year 2011/2012:		
Interim dividend paid of HK\$0.50 per ordinary share (Year 2010/2011: HK\$1.00 per ordinary share)	<u>162,252</u>	324,209
	<u>874,782</u>	<u>976,853</u>
Year 2011/2012:		
Proposed final dividend of HK\$1.70 per ordinary share (Year 2010/2011: HK\$2.20 per ordinary share)	<u>559,387</u>	<u>723,913</u>

The final dividend proposed for the year ended 30 June 2012 of HK\$559,387,000 (2011: HK\$723,913,000) is calculated based on 329,051,373 ordinary shares (2011: 329,051,373 ordinary shares) in issue as at 30 June 2012.

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. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to shareholders of the Company of HK\$1,293,754,000 (2011: profit of HK\$4,159,400,000) and the weighted average number of 325,024,511 ordinary shares (2011: 325,024,511 ordinary shares) in issue during the year.

(b) Diluted (loss)/earnings per share

For the year ended 30 June 2012, the diluted loss per share equals the basic loss per share as there is no dilutive potential ordinary shares outstanding during the year.

For the year ended 30 June 2011, the calculation of diluted earnings per share was based on the profit attributable to shareholders of the Company of HK\$4,158,786,000 and the weighted average number of 325,024,511 ordinary shares in issue during the year after adjusting for the effect of all dilutive potential ordinary shares.

9. TRADE AND OTHER RECEIVABLES

	2012 HK\$'000	2011 HK\$'000
Trade debtors	1,692,388	2,412,739
Deposits and prepayments	1,324,684	1,800,672
Derivative financial instruments, at fair value	14,682	45,713
Interest receivables	32,342	10,779
	<u>3,064,096</u>	<u>4,269,903</u>

Included in trade and other receivables is HK\$64.4 million (2011: HK\$55.3 million) which is expected to be recovered after one year.

Included in trade and other receivables are trade debtors (net of allowance for bad and doubtful debts) with the following ageing analysis as of the end of the reporting period:

	2012 HK\$'000	2011 HK\$'000
Current	1,666,647	2,308,376
1 to 3 months	13,441	37,504
More than 3 months	12,300	66,859
	<u>1,692,388</u>	<u>2,412,739</u>

10. TRADE AND OTHER PAYABLES

	2012 HK\$'000	2011 HK\$'000
Trade creditors	892,690	813,951
Other payables and accrued operating expenses	4,821,021	4,578,376
Derivative financial instruments, at fair value	154,272	180,872
Amounts due to fellow subsidiaries	49,459	94,300
Amounts due to associates	302	296
Amounts due to jointly controlled entities	2,366	2,490
	<u>5,920,110</u>	<u>5,670,285</u>

Included in trade and other payables is HK\$421.1 million (2011: HK\$468.5 million) which is expected to be payable after one year.

Included in trade and other payables are trade creditors with the following ageing analysis as of the end of the reporting period:

	2012 HK\$'000	2011 HK\$'000
Due within 1 month or on demand	783,868	664,777
Due after 1 month but within 3 months	34,661	26,709
Due after 3 months	74,161	122,465
	<u>892,690</u>	<u>813,951</u>

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

11. 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 (2012: US\$1 = HK\$7.75585, 2011: US\$1 = HK\$7.78245).

DIVIDENDS

The Directors will recommend to the shareholders for approval at the forthcoming annual general meeting a final dividend of HK\$1.70 per share, totalling HK\$559 million payable for the financial year ended 30 June 2012. The proposed final dividend, together with the interim dividend of HK\$0.50 per share paid on 26 March 2012, will amount to a total dividend of HK\$2.20 per share for the full year, totalling HK\$724 million (2011: HK\$3.20 per share, totalling HK\$1,053 million). Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 13 November 2012, the final dividend will be payable on 29 November 2012 to the shareholders whose names appear on the Register of Members of the Company on 20 November 2012.

REVIEW OF OPERATIONS

Financial Results

The Group reported a consolidated profit attributable to shareholders of HK\$1.3 billion for the second half of the financial year thereby reducing the consolidated loss attributable to shareholders of HK\$2.6 billion for the first six months period. The consolidated loss of HK\$1.3 billion for the whole financial year was mainly from its principal investment business. Basic loss per share amounted to HK\$3.98.

For the year ended 30 June 2012, the principal investment division posted a net loss of HK\$2.2 billion of which HK\$2.4 billion represented unrealised losses on trading financial assets. Operating loss of HK\$314 million recorded by us from property development and investment was as a result of the reversal of HK\$1.1 billion profits earned by our principal subsidiary, GuocoLand Limited, due to us adopting the completion of construction method for revenue recognition.

We generated profit (before taxation) from the following sources:

- hospitality and leisure business of HK\$1.0 billion;
- contributions from associates and jointly controlled entities of HK\$798 million;
- oil and gas royalty of HK\$381 million;

and set off by finance cost of HK\$801 million.

Revenue increased by HK\$5.1 billion to HK\$12.8 billion. The increase was mainly attributable to the increase in hospitality and leisure sector of HK\$6.2 billion, net off by decrease in property development and investments of HK\$1.3 billion. Administrative and other operating expenses increased by HK\$2.3 billion to HK\$4.6 billion. The higher revenue and administrative and other operating expenses were primarily due to the consolidation of the results of The Rank Group Plc which became a subsidiary in June 2011.

Principal Investment

Global equities had a disappointing year with all major global equity markets recording negative returns. Despite on-going monetary and other support measures, market sentiment was plagued by worries of the contagion impact from the Eurozone debt crisis, a faltering US recovery and intensified slowdown in the Chinese economy.

We continue to focus on long-term strategic investments. Valuations were inevitably affected by market volatility. We believe valuations will recover over time.

Property Development and Investment

GuocoLand Limited (“GuocoLand”)

GuocoLand’s profit attributable to shareholders was S\$63.2 million for the year ended 30 June 2012. The decrease in profit was mainly attributable to lower fair value gain from investment properties which was included in other income. The gain was S\$58.8 million for the previous year as against S\$3.9 million in the current year.

Revenue for the current year decreased marginally by 1% to S\$678.5 million. This was mainly due to lower revenue from China, offset by higher revenue derived from the progressive recognition from Singapore residential projects. During the previous year, revenue was recognised from sales of completed projects in China, such as Ascot Park in Nanjing and SOHO units in Shanghai GuoSon Centre. With the adoption of Interpretation of Financial Reporting Standard 115, sales of units in Tianjin Seasons Park, as well as Goodwood Residence units under the deferred payment scheme were not recognised as revenue.

Shareholders' equity remained at S\$2.4 billion as at 30 June 2012. Profits for the year and foreign currency translation gain on GuocoLand's China operations were offset by the dividend payout of S\$88.8 million.

With an uncertain global economic outlook and slower pace of growth in Asia, GuocoLand expects a challenging year ahead. The subsidiary is positive about its key property markets as the underlying fundamentals in these markets remain sound.

Hospitality and Leisure Business

GuocoLeisure Limited ("GuocoLeisure")

GuocoLeisure recorded a profit after tax for the year ended 30 June 2012 at US\$77.0 million, a decrease of 3.5% as compared to US\$79.8 million in the previous year.

Revenue was at US\$369.8 million, which was 5.4% below that of the previous year. This was mainly due to lower revenues generated from gaming.

Income from the Bass Strait oil and gas royalty in Australia increased by 20.9% to US\$53.7 million, principally due to higher average crude oil and gas prices. In addition, a one-off distribution of US\$5.4 million arising from the resolution of a royalty entitlement dispute was received during the year.

GuocoLeisure's net assets as at 30 June 2012 increased by 1.8% to US\$1.12 billion from US\$1.10 billion as at 30 June 2011, principally due to the net effect of earnings generated during the year offset by net foreign exchange translation losses arising from translation of GBP- and AUD-denominated net assets into USD.

The continuing Eurozone crisis and economic slowdown in UK had an adverse impact on GuocoLeisure's hospitality and leisure business. However, the company remains financially robust with steady cash flows. Action to reduce costs and streamline operations and property upgrades will help to ensure continuing profitability in the future.

The Rank Group Plc ("Rank")

Profit after taxation but before exceptional items of Rank increased by 15.7% to GBP44.1 million following continued strong turnover in the UK, lower interest costs and the receipt of value added tax refunds in early 2011 and a reduction in the effective tax rate.

During the 12 months to 30 June 2012, Rank's revenue grew by 3.4% to GBP600.5 million, while operating profit before exceptional items of GBP65.5 million was up 4.1%. For the UK businesses, Grosvenor Casinos and Rank Interactive both delivered strong increases in operating profit but Mecca Bingo profits were adversely impacted by increased gaming duty and property costs. Top Rank Espana and the two Belgium casinos experienced difficult trading conditions following the implementation of smoking bans and the continuing difficult economic conditions in the Eurozone.

Rank announced on 12 May 2012 that it had conditionally agreed to acquire Gala Casinos Limited from Gala Coral Group Limited for a total cash consideration of GBP205 million. The proposed acquisition remains subject to regulatory approval. Rank intends to finance the acquisition, along with its related costs and expenses with bank facilities.

Financial Services

Hong Leong Financial Group Berhad ("HLFG")

HLFG achieved a profit before tax of RM2,222.5 million for the year ended 30 June 2012 as compared to RM2,422.7 million in the previous year. Stripping away a RM619.0 million one-off gain and a RM175.0 million one-off surplus transfer from HLFG's insurance deal last year, HLFG recorded an increase in profit before tax by 36.5% or RM593.8 million. This was mainly due to a much higher contribution from the enlarged Hong Leong Bank entity arising from the acquisition of assets and liabilities of EON Capital Group on 6 May 2011.

GROUP FINANCIAL COMMENTARY

Capital Management

- The Group's consolidated total equity (including non-controlling interests) as at 30 June 2012 amounted to HK\$54.8 billion, a decrease of 9% compared to the total equity as at 30 June 2011.
- The Group's consolidated total equity attributable to shareholders of the Company as at 30 June 2012 amounted to HK\$44.2 billion, a decrease of HK\$4.8 billion compared to the previous year.
- The equity-debt ratio as at 30 June 2012 is as follows:

	HK\$'M
Total borrowings	43,849
Less: Cash and short term funds	(8,800)
Marketable securities	(9,512)
Net debt	25,537
Equity attributable to shareholders of the Company	44,198
Equity-debt ratio	63 : 37

- The Group's total cash balance and marketable securities were mainly in USD (46%), AUD (10%), JPY (9%), SGD (9%) and HKD (8%).

Total Borrowings

The decrease in total borrowings from HK\$47.4 billion as at 30 June 2011 to HK\$43.8 billion as at 30 June 2012 was primarily due to repayment of loans. The Group's total borrowings are mainly denominated in SGD (58%), USD (17%), GBP (7%) and RMB (7%).

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

	Bank loans	Mortgage debenture stock	Other borrowings	Total
	HK\$'M	HK\$'M	HK\$'M	HK\$'M
Within 1 year or on demand	11,088	-	3,880	14,968
After 1 year but within 2 years	2,825	-	1,287	4,112
After 2 years but within 5 years	14,368	1,792	6,885	23,045
After 5 years	828	713	183	1,724
	<u>18,021</u>	<u>2,505</u>	<u>8,355</u>	<u>28,881</u>
	<u>29,109</u>	<u>2,505</u>	<u>12,235</u>	<u>43,849</u>

Bank loans, mortgage debenture stock and other borrowings are secured by certain development properties, fixed assets and trading financial assets with an aggregate book value of HK\$40.0 billion.

Committed borrowing facilities available to Group companies and not yet drawn as at 30 June 2012 amounted to approximately HK\$12.0 billion.

To tap the low interest rate markets and to diversify its funding, Dynamic Talent Limited (a wholly owned subsidiary of the Company) in July 2012 established a HK\$23.3 billion medium term note programme (the "MTN Programme"), which is unconditionally and irrevocably guaranteed by the Company. Notes for an aggregate nominal amount of HK\$3.9 billion with a tenor of 5 years were issued under the MTN Programme. The funds raised via the MTN Programme will be used for working capital and general corporate purposes.

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 2012, approximately 73% of the Group's borrowings were at floating rates and the remaining 27% were at fixed rates.

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 2012, there were outstanding foreign exchange contracts with a total notional amount of HK\$20.3 billion for hedging of foreign currency equity and bond investments.

Equity Price Exposure

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

Contingent Liabilities

(a) GuocoLand

In November 2007, GuocoLand (China) Limited ("GLC"), a wholly owned subsidiary of GuocoLand, acquired a 90% equity interest in a company that owns 100% interest in a mixed development property project in Beijing ("DZM Project Company"). Legal disputes between GLC and the vendor of the 90% interest in the DZM Project Company over the title of the equity interest and claims by other parties against DZM Project Company under guarantees purportedly entered into by DZM Project Company are being litigated.

(b) Rank

i) Rank liabilities relating to Fiscal Neutrality Case

On 10 November 2011, the European Court of Justice ("ECJ") ruled on Rank's amusement machines claim in relation to the application of VAT to certain types of amusement machines contravening the European Unions principle of fiscal neutrality. In May 2010, Rank received GBP30.8 million (VAT of GBP26.4 million plus interest of GBP4.4 million) relating to a claim for repayment of overpaid VAT on amusement machines. The ECJ's decision on Rank's amusement machines claim was not conclusive and was therefore referred back to the UK courts. The hearing was held in June 2012, with a decision expected in the second half of 2012.

ii) Grosvenor liability relating to irrecoverable VAT

Rank has been in negotiations with HM Revenue & Customs ("HMRC") for several years on the means by which it calculates the amount of irrecoverable VAT in Grosvenor Casinos. The difference in Rank's position as against HMRC's position for the period under negotiation (July 2007 to June 2012) amounts to an estimated GBP8.8 million.

The point of dispute between Rank and HMRC was the subject of litigation by another, similar, taxpayer. In that case, the Court of Appeal ruled that HMRC's position was incorrect. This was the latest in a string of appeals on this point. Precedent case law indicates that Rank's position is correct and on that basis the irrecoverable VAT charge has been adjusted accordingly. In the event this

was not the case, Rank would have to pay the VAT in dispute (see above) plus interest.

iii) Other VAT and duty

In addition, Rank is in discussions with HMRC about a limited number of other VAT and duty issues. Rank does not anticipate that VAT and duty is due on these issues but in the event that this is not the case a liability of up to GBP15 million could be due.

The directors consider that, in respect of all contingent liabilities disclosed above, it is more likely than not that no outflow will arise.

HUMAN RESOURCES AND TRAINING

The Group employed approximately 13,100 employees as at 30 June 2012. 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 performance of the Group and individual achievement as incentives to optimise performance. Share options are granted to eligible employees to reward their contribution and foster loyalty towards the Group.

GROUP OUTLOOK

Given that the US Fed has committed to keeping interest rates low for a long period, and given that the Chinese authorities have recently accelerated their stimulus measures, we believe that the global macro backdrop will not see significant deterioration. How long the present economic woes affecting global markets will drag on, however, is open. While short-term volatility is likely to prevail, we believe carefully selected investments with sound fundamentals will present attractive recovery opportunities.

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 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 "Listing Rules"). The CGP Code was recently updated to take effect from April 2012 to reflect the new requirements under the revised HKEx Code (the "Revised HKEx Code").

The Company has complied with the HKEx Code for the period from 1 July 2011 up to 31 March 2012 and the Revised HKEx Code for the period from 1 April 2012 to 30 June 2012, save that the 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 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 and the Revised HKEx Code.

REVIEW BY BOARD AUDIT COMMITTEE (“BAC”)

The BAC reviewed the applicable 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 2012 with the auditors and management.

CLOSURE OF REGISTER OF MEMBERS

For ascertaining shareholders’ right to attend and vote at the forthcoming annual general meeting:

Closure dates of Register of Members (both days inclusive)	9 November 2012 (Friday) to 13 November 2012 (Tuesday)
Latest time to lodge transfers	4:30 p.m. on 8 November 2012 (Thursday)
Record date	13 November 2012 (Tuesday)
Annual General Meeting	13 November 2012 (Tuesday)

For ascertaining shareholders’ entitlement to the proposed final dividend*:

Closure date of Register of Members	20 November 2012 (Tuesday)
Latest time to lodge transfers	4:30 p.m. on 19 November 2012 (Monday)
Record date	20 November 2012 (Tuesday)
Proposed final dividend payment date	29 November 2012 (Thursday)

*(*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.

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 as executive director; Mr Kwek Leng San as non-executive director and Mr Sat Pal Khattar, Mr Volker Stoeckel and Mr Roderic N. A. Sage as independent non-executive directors.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 30 August 2012