

For immediate release

8 September 2008

**GUOCO GROUP LIMITED**  
**FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2008**

**Guoco reports profit HK\$1.47 billion**

<b>FINANCIAL HIGHLIGHTS</b>	<b>2008</b>	2007	<i>Increase/ (Decrease)</i>
	<b>HK\$'M</b>	(Restated) HK\$'M	
Turnover	<b>21,211</b>	20,934	1%
Revenue	<b>8,574</b>	6,779	26%
Profit from operations before finance cost	<b>2,106</b>	4,397	(52%)
Profit attributable to shareholders of the Company	<b>1,468</b>	4,271	(66%)
Earnings per share	<b>HK\$ 4.52</b>	HK\$ 13.14	(66%)
Proposed final dividend per share	<b>3.00</b>	3.30	(9%)
Equity per share attributable to shareholders of the Company	<b>125.17</b>	<b>123.20</b>	2%

(8 September 2008, Hong Kong) Guoco Group (Guoco Group Limited, Stock Code: 53) announced today its final results for the year ended 30 June 2008.

**FINANCIAL RESULTS**

The consolidated profit attributable to shareholders for the year ended 30 June 2008, after taxation and minority interests amounted to HK\$1,468 million, representing a decrease of 66% over that of last year. Earnings per share amounted to HK\$4.52.

For immediate release

8 September 2008

**GUOCO GROUP LIMITED**  
**FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2008**

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

- total interest income of HK\$1,345 million;
- property operations of HK\$752 million;
- hospitality and leisure business of HK\$584 million;
- contribution from associates and jointly controlled entities of HK\$472 million;
- total net exchange gain (including foreign exchange contracts) of HK\$659 million;
- dividend income of HK\$177 million; and offset by
- total realised and unrealised losses on investments of HK\$1,468 million.

Revenue increased by 26% to HK\$8.6 billion. The increase was mainly attributable to the increase in property development sector of 91% or HK\$1,492 million and in hotel and gaming sector of 13% or HK\$432 million.

The Group's consolidated total equity attributable to shareholders of the Company as at 30 June 2008 amounted to HK\$41.2 billion, an increase of HK\$648 million comparing to the figure as at 30 June 2007.

**DIVIDENDS**

The Company is recommending a final dividend of HK\$3.00 per share. Together with the interim dividend of HK\$1.00 per share already paid, the total dividend for the year amounted to HK\$4.00 per share thereby maintaining a steady annual distribution to shareholders.

**GUOCO'S CORE BUSINESSES**

Principal Investment

We had been cautious for quite some time since global equity markets peaked in mid 2007 and remained guarded and disciplined. With the recent deterioration in world financial and equity markets, our risk-averse approach has helped to contain write downs in investments had we been less cautious. We continue to hold substantial assets in cash to make investment when the time is opportune.

The twelve months to June 2008 represented an extremely volatile period in global financial markets. In response to this worsening market environment, we exercised caution in managing our investment portfolio. We have trimmed down substantially the level of investment activities and the size of the investment allocation thereby reducing our exposure. Nevertheless, severe market corrections and the mark-to-market valuations affected our Principal Investment business.

For immediate release

8 September 2008

**GUOCO GROUP LIMITED**  
**FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2008**

Property Development and Investment – GuocoLand Limited (“GLL”)

For the financial year ended 30 June 2008, GLL reported a net profit of S\$161.8 million, a decrease of 43% compared to the previous corresponding year. The decrease in net profit was mainly due to lower gross profit contribution from sale of property development projects in Singapore, lower revaluation gain on the investment properties and higher income tax expense mainly from its property development projects in China.

GLL initially started off positively with strong economic growth in its core markets of Singapore, China, Malaysia and Vietnam as key drivers for its performance. The second half of the financial year however coincided with a swift reversal in the global economy, with slowdowns in world markets resulting from the sub-prime crisis, the consequent US credit crunch and global inflationary pressures.

Reacting to these macroeconomic concerns, a mood of caution has crept into the real estate market sentiment across the region, especially in markets where the economies have significant exports to the US. The China and Vietnam governments have put in place measures to tighten credit and rein in real estate speculation. As a result, buyers are adopting a more cautious approach, and sales across the real estate sector have slowed. Against this backdrop, and despite the market uncertainty, GLL has reported satisfactory results for the financial year ended 30 June 2008.

The Guoco quality property brand is now successfully established in China, in the major cities of Beijing, Shanghai, Nanjing and Tianjin; in Vietnam, in the rapidly emerging conurbation near to Ho Chi Minh City, and in Malaysia, Kuala Lumpur, in addition to its home turf in Singapore. GLL has done reasonably well in its core markets in Asia. Whilst the region's property markets will be affected by global macroeconomic concerns over the short-term, Asia's growth holds potential. We are confident that GLL having a quality land bank across growth regions in Asia will be able to weather the storm. China remains a key pillar of growth in the region. We remain positive about China over the medium and long term.

GLL will take measures to stay resilient and address the challenges of rising costs brought about by inflation. We will undertake land banking when opportunities arise. We will continue to do this in a prudent way. We are optimistic that these measures will help GLL in the next phase of growth and consolidate its position as a large regional property player when the global economy turns around.

Hospitality and Leisure – GuocoLeisure Limited (“GL”, formerly known as BIL International Limited)

GL registered a profit before tax of US\$58.6 million for the financial year ended 30 June 2008, which is twelve times that in previous financial year. GL's revenue rose by 29.2% to US\$573.7 million during the financial year principally due to improved REVPAR in the hotel operation, increased royalty income from the Bass Strait Oil & Gas produce, higher sales of land and developed properties from Denarau, Fiji and improved revenue in the gaming operation.

For immediate release

8 September 2008

**GUOCO GROUP LIMITED**  
**FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2008**

Given uncertainties surrounding the global financial markets, escalating cost of doing business and the resultant gloomy economic prospects, GL took steps to rationalise and streamline its businesses during the current financial year. This resulted in lower cost of operations with improvement in operational efficiencies across all businesses.

During the year, GL remained focused on growing top-line particularly in the hotel business through effective yield enhancement and market penetration strategies. The hotel segment made significant progress in establishing and growing its two brands in its target markets: Guoman, as deluxe properties competing globally with other international brands and Thistle, as a strong UK-based brand. New brand standards were successfully rolled out. Substantial capital was invested as part of a three-year refurbishment programme and key international markets were developed, particularly in respect of the Guoman properties. As a result of all these, profitability for the hotel segment increased significantly during the year.

We will grow GL's hotel management business in the Asian region and China. GL will manage a number of new hotels in the developments that GLL will be completing in China and Malaysia over the next few years. GL is establishing a management team in the region to oversee that activity. We see good prospects for GL in Asia.

Financial Services – Hong Leong Financial Group Berhad (“HLFG”)

HLFG recorded a profit before tax of RM1,120.2 million for the year ended 30 June 2008 as compared to RM985.7 million in the previous financial year, an increase of RM134.5 million or 13.6%. This reflects the steps taken to grow the various business especially contribution from the banking division.

HLFG made significant progress towards becoming one of the leading integrated financial services groups domestically and in the region. As a result of its successes in growing its core businesses, HLFG registered record result. Profit before tax of its subsidiary, Hong Leong Bank Berhad (“HLB”), surpassed the RM1 billion mark. The record earnings were driven primarily by continued strong growth in earnings on the back of higher net interest income and Islamic banking income.

To enhance its competitive advantage, HLFG has been investing in improving its infrastructure, customer service experience and sales delivery capabilities including cross-selling programmes to derive synergistic benefits within the various financial businesses of the HLFG Group. Through the introduction of need-based customer relevant products as well as increased customer services to fulfill their expectations, HLFG hopes to build a strong and reputable brand name to enhance its market position in the financial services sectors.

HLB completed the subscription of 20% interest in Chengdu City Commercial Bank Co. Ltd. (“CCCB”). This marked its first major overseas acquisition and first foray into the large and fast-growing China market. It is working with CCCB to explore synergistic opportunities on expanding financial services in Chengdu.

For immediate release

8 September 2008

**GUOCO GROUP LIMITED**  
**FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2008**

**OUTLOOK**

The global meltdown in share price over the past twelve months appears to be continuing. Global financial systems are being tested and some amount of uncertainty may continue over a protracted period. Problems relating to the US housing market, high inflationary pressures and rising unemployment will affect the economies of various countries in which we operate. These could lead to a slower global growth. We remain cautiously optimistic and will look for investment opportunities.

(Please visit [www.guoco.com](http://www.guoco.com) or [www.hkexnews.hk](http://www.hkexnews.hk) for Guoco's full final results announcement.)

- END -

Guoco Group Limited ("Guoco") (Stock Code: 53), listed on The Stock Exchange of Hong Kong Limited, is an investment holding and investment management company with the vision of achieving long term sustainable returns for its shareholders and creating prime capital value. Guoco's operating subsidiary companies and investment activities are principally located in Hong Kong, China, Singapore, Malaysia, Vietnam and the United Kingdom. Guoco has four core businesses, namely, Principal Investment; Property Development and Investment; Hospitality and Leisure Business; and Financial Services.

Contacts :

Ms. Stella Lo

Group Company Secretary

Tel: ( 852 ) 2283 8710

Fax: ( 852 ) 2285 3210

E-mail: [stella.lo@guoco.com](mailto:stella.lo@guoco.com)