

For immediate release

19 February 2016

GUOCO GROUP LIMITED

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Six months ended 31 December		Increase /(decrease)
	2015 HK\$'M	2014 HK\$'M	
Turnover	10,893	15,654	(30%)
Revenue	9,767	8,752	12%
Profit from operations	4,580	1,843	149%
Profit attributable to equity shareholders of the Company	2,529	1,620	56%
	HK\$	HK\$	
Earnings per share	7.78	4.98	56%
Interim dividend per share	1.00	1.00	-
	As at	As at	
	31 December 2015	30 June 2015	
	HK\$	HK\$	
Equity per share attributable to equity shareholders of the Company	168.46	177.60	(5%)

(19 February 2016, Hong Kong) Guoco Group (Guoco Group Limited, Stock Code: 53) announced today its interim results for the six months ended 31 December 2015.

FINANCIAL RESULTS

The unaudited consolidated profit attributable to equity shareholders for the six months ended 31 December 2015, after taxation and non-controlling interests, amounted to HK\$2,529 million, as compared to HK\$1,620 million for the previous corresponding period, up 56% year-on-year. Basic earnings per share amounted to HK\$7.78.

For the six months ended 31 December 2015, pre tax results were generated from the following sources:

- property development and investment of HK\$4,200 million;
- hospitality and leisure of HK\$982 million;
- financial services of HK\$300 million;
- oil and gas royalty of HK\$81 million; and
- a net loss of HK\$192 million from principal investment.

Revenue increased by 12% to HK\$9.8 billion. The increase was mainly derived from the property development and investment sector of HK\$1.2 billion.

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INTERIM DIVIDEND

The Directors have declared an interim dividend of HK\$1.00 per share for the financial year ending 30 June 2016.

GUOCO'S CORE BUSINESSES

Principal Investment

The six months to December 2015 was another eventful period for financial markets. A turbulent correction in Chinese A-shares, continued downturn in commodity prices, a long-awaited rate hike by the Fed and additional stimulus by the ECB all impacted investors' sentiment and market performance. Equities experienced big swings in prices with major stock indices recording declines during the period. The investment portfolio of Guoco Group recorded mark-to-market losses for the period.

Amidst the volatile condition of the money market, its treasury team was able to seize the opportunities to harvest foreign exchange trading gains and lessen the impact on interest expenses.

Property Development and Investment

GuocoLand Limited ("GuocoLand")

GuocoLand ended its half year with a profit attributable to equity holders of S\$589.5 million, an increase of S\$520.0 million as compared to the previous corresponding period. The increase in profit was primarily due to a gain from disposal of the subsidiaries relating to the Dongzhimen project during the period.

Revenue for the half year ended 31 December 2015 increased by 17% to S\$679.3 million, largely driven by better performance by Singapore and China as well as revenue recognised from DC Residency in Malaysia during the period.

With a volatile global economic environment, GuocoLand foresees a challenging year ahead. It will continue to focus on sales and leasing of its current projects while being watchful for investment opportunities.

Hospitality and Leisure

GL Limited ("GL", formerly known as GuocoLeisure Limited)

GL recorded a profit after tax of US\$51.2 million for the half year ended 31 December 2015, an increase of 64% as compared to US\$31.2 million for the previous corresponding period.

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Revenue stood at US\$229.8 million which was 1% below that of the previous corresponding period, principally due to lower Bass Strait oil and gas royalty income. Hotel revenue was lower compared to previous corresponding period mainly due to the weakening of GBP/USD exchange rate despite improved RevPAR during the half year.

GL continues its portfolio rebranding with successful launch of Amba Hotel Marble Arch in November 2015. GL expects to launch the second hotel under its every Hotel brand, the every Hotel Bloomsbury Park, in mid 2016. Following on from the announcement of Thistle Express, GL has started work on the design aspects of this budget sector offering with intention to be on site in the next six months.

Recent events in Paris have dampened the performance of the London hotel market. GL maintains a cautious outlook as such events could negatively impact discretionary travel in the coming quarters.

The Rank Group Plc (“Rank”)

Rank registered an increase of 17% in its profit after taxation (before exceptional items and discontinued operations) for the half year ended 31 December 2015 to GBP31.6 million.

Revenue from continuing operations grew by 3% to GBP374.2 million, with a strong 14% growth in digital revenue being offset by lower revenue from Mecca Bingo venues (following the closure of a number of underperforming venues) and adverse exchange rates impacting euro denominated income in Spain and Belgium.

Rank will see in 2016 delivery of significant new platforms, new functionality and new products, all of which are expected to drive improvement across all parts of its business.

Financial Services

Hong Leong Financial Group Berhad (“HLFG”)

HLFG will publish its results for the interim period ended 31 December 2015 subsequent to Guoco's interim results announcement. The consolidated results of HLFG based on their unaudited management accounts have been incorporated in the Group's interim results.

OUTLOOK

Equity market turbulence during the initial weeks of 2016 served as a timely reminder of a challenging macro outlook faced by investors this year. The Fed is expected to embark on its tightening path while other major central banks will stay with their dovish bias. This policy divergence may cause ongoing unease and rising market fluctuations. At the same time, concerns over China may continue to prevail although it is believed that the Chinese authorities have the tools and commitment to support growth and the financial system if necessary. Market conditions are expected to remain volatile.

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Given a tougher operating environment in 2016, Guoco Group's core businesses will continue to focus on execution of their business plans and strategies.

(Please visit www.guoco.com or www.hkexnews.hk for Guoco's full interim results announcement.)

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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; and Financial Services.

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