

For immediate release

29 February 2012

GUOCO GROUP LIMITED

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	Six months ended 31 December		Increase/ (Decrease)
	2011 HK\$'M	2010 HK\$'M	
Turnover	11,959	25,093	(52%)
Revenue	5,651	3,236	75%
(Loss) / profit from operations before finance cost	(2,377)	3,292	N/A
(Loss) / profit attributable to shareholders of the Company	(2,595)	3,842	N/A
	HK\$	HK\$	
(Loss) / earnings per share	(7.98)	11.82	N/A
Interim dividend per share	0.50	1.00	(50%)
	As at		
	31 December	30 June	
	2011	2011	
	HK\$	HK\$	
Equity per share attributable to shareholders of the Company	132.09	148.94	(11%)

(29 February 2012, Hong Kong) Guoco Group (Guoco Group Limited, Stock Code: 53) announced today its interim results for the six months ended 31 December 2011.

FINANCIAL RESULTS

The unaudited consolidated loss attributable to shareholders for the six months ended 31 December 2011, after taxation and non-controlling interests, amounted to HK\$2,595 million, primarily arising from its principal investment business which was adversely affected by the weakening financial market during the period. Basic loss per share amounted to HK\$7.98.

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For the six months ended 31 December 2011, the principal investment division posted a net loss of HK\$2,973 million of which HK\$2,710 million represented unrealised losses on trading financial assets. There was an operating loss of HK\$168 million recorded by property development and investment sector, after the reversal of HK\$334 million profits due to the adoption of completion of construction method for revenue recognition in Hong Kong.

The Group generated profit (before taxation) from the following sources:

- hospitality and leisure business of HK\$469 million;
- contributions from associates and jointly controlled entities of HK\$334 million;
- oil and gas royalty of HK\$290 million;

and set off by finance cost of HK\$347 million.

Revenue increased by 75% to HK\$5,651 million. The increase was mainly attributable to the increase in hospitality and leisure sector of HK\$3,423 million (206%), net off by decrease in property development and investment sector of HK\$1,036 million (79%). Administrative and other operating expenses also increased by 119% to HK\$2,338 million. 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.

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK\$0.50 per share for the financial year ending 30 June 2012.

GUOCO'S CORE BUSINESSES

Principal Investment

Market conditions remained very volatile during the period under review. Investors had to deal with a combination of complex and inter-related issues, including continued deterioration in the European sovereign debt crisis, ongoing de-leveraging in the western banking sector, growth concerns in various emerging economies especially the slowdown in China as well as an unprecedented credit rating downgrade for the U.S. Despite repeated attempts by different central banks and authorities to come up with measures to lessen the impact of these negatives, major equity markets all recorded negative returns in the second half of 2011 with some of them suffering double-digit declines. The Group's reported losses are mainly unrealised. Market fluctuations will inevitably affect its valuations.

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Property Development and Investment

GuocoLand Limited ("GuocoLand")

GuocoLand reported profit after tax and non-controlling interests of S\$36,000 for the first half year ended 31 December 2011 compared to S\$80.2 million (restated) for the previous corresponding period.

Revenue for the half year ended 31 December 2011 declined by 49% to S\$254.3 million as compared to the previous corresponding period. It was derived mainly from the progressive recognition of Singapore's residential projects for the half year ended 31 December 2011. In the previous corresponding period, in addition to contribution from Singapore's projects, revenue was also recognised for the sale of completed projects in China, such as Ascot Park in Nanjing and SOHO units and office block in Shanghai GuoSon Centre. With the adoption of Interpretation of Financial Reporting Standard 115, sale of units in Tianjin Seasons Park, as well as Goodwood Residence units under deferred payment scheme, was not recognised as revenue in the income statement.

Given the current global uncertainties and government measures to cool the property sectors in Singapore and China, business conditions will continue to be challenging for GuocoLand.

Hospitality and Leisure Business

GuocoLeisure Limited ("GuocoLeisure")

GuocoLeisure recorded a profit after tax for the half year ended 31 December 2011 at US\$36.6 million, an increase of 2.2% as compared to US\$35.8 million in the previous corresponding period.

Revenue stood at US\$189.7 million, which was 5.2% below that of the previous corresponding period. This was mainly due to lower revenues generated from the gaming segment.

The Rank Group Plc ("Rank")

Profit after taxation but before exceptional items of Rank increased by 11.6% to GBP23.1 million following the improvement in trading in the United Kingdom, lower interest costs following the receipt of value added tax refunds in early 2011 and a reduction in the effective tax rate.

Exceptional items totalling GBP8.8 million comprised impairment charges mainly in relation to six bingo clubs in Spain together with restructuring costs following the decision to close a number of under-performing clubs in the United Kingdom.

During the six months ended 31 December 2011, Rank's revenue grew by 2.8% to GBP282.7 million, while operating profit before exceptional items of GBP34.6 million was up 3.6%.

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Financial Services

Hong Leong Financial Group Berhad ("HLFG")

HLFG achieved a profit before tax of RM995.8 million for the half year ended 31 December 2011 as compared to RM1,517.7 million in the previous corresponding period. Excluding the one-off life insurance surplus transfer of RM175 million from Hong Leong Assurance Bhd ("HLA") as well as a RM619 million one-off gain on transfer of HLA general insurance business to MSIG Insurance (Malaysia) Bhd in the previous corresponding period, HLFG recorded an increase in profit before tax by 37.6% or RM272.1 million.

OUTLOOK

Financial de-leveraging and fiscal austerity in the West will continue to exert pressure on growth. Elections and political transitions in some key countries may trigger changes and uncertainty. There have however been encouraging developments which may lead to a better economic climate.

(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 Business; and Financial Services.

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