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Announcement of Final Results for the Year Ended 30 June 2014

FINANCIAL HIGHLIGHTS			
	2014	2013	<i>Increase/ (Decrease)</i>
	HK\$'M	HK\$'M	
Turnover	36,002	24,140	49%
Revenue	21,323	17,030	25%
Profit attributable to equity shareholders of the Company	5,752	6,296	(9%)
	HK\$	HK\$	
Earnings per share	17.70	19.37	(9%)
Dividend per share : Interim	1.00	-	
Proposed final	3.00	1.50	
	4.00	1.50	167%
Special interim dividend in specie	-	5.01	
Total	4.00	6.51	
Equity per share attributable to equity shareholders of the Company	170.93	153.65	11%

RESULTS

The consolidated results of Guoco Group Limited (the “Company”) and its subsidiaries (together the “Group”) for the financial year ended 30 June 2014 together with comparative figures for the previous year are as follows:

CONSOLIDATED INCOME STATEMENT

	Note	2014 HK\$'000	2013 HK\$'000
Turnover	2 & 3	36,002,466	24,140,457
Revenue	2 & 3	21,323,088	17,029,907
Cost of sales		(12,269,918)	(8,840,890)
Other attributable costs		(240,645)	(251,576)
		8,812,525	7,937,441
Other revenue		484,507	795,010
Other net income	4	3,103,873	4,109,467
Administrative and other operating expenses		(5,703,970)	(5,264,362)
Profit from operations before finance costs		6,696,935	7,577,556
Finance costs	2(b) & 5(a)	(1,282,501)	(1,179,429)
Profit from operations	2	5,414,434	6,398,127
Valuation surplus on investment properties		792,460	221,798
Share of profits of associates	5(c)	1,082,508	1,023,774
Share of profits of joint ventures	5(c)	68,447	32,113
Profit for the year before taxation	2 & 5	7,357,849	7,675,812
Tax expenses	6	(538,445)	(774,152)
Profit for the year		6,819,404	6,901,660
Attributable to:			
Equity shareholders of the Company		5,752,227	6,296,389
Non-controlling interests		1,067,177	605,271
Profit for the year		6,819,404	6,901,660
Earnings per share		HK\$	HK\$
Basic	8	17.70	19.37
Diluted	8	17.70	19.37

Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 7.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2014 HK\$'000	2013 HK\$'000
Profit for the year	6,819,404	6,901,660
Other comprehensive income for the year (after tax and reclassification adjustments)		
Items that will not be reclassified to profit or loss:		
Actuarial (losses)/gains on defined benefit obligation	(30,646)	49,791
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	1,286,539	69,144
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	2,845	87,039
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries	(17,865)	-
Changes in fair value of available-for-sale financial assets	1,738,757	382,224
Transfer to profit or loss on disposal of available-for-sale financial assets	(124,849)	6,454
Release of valuation reserve upon disposal of properties	-	(303)
Share of other comprehensive income of associates	68,710	333,155
	<u>2,954,137</u>	<u>877,713</u>
Other comprehensive income for the year, net of tax	<u>2,923,491</u>	<u>927,504</u>
Total comprehensive income for the year	<u>9,742,895</u>	<u>7,829,164</u>
Total comprehensive income for the year attributable to:		
Equity shareholders of the Company	8,309,626	6,989,925
Non-controlling interests	1,433,269	839,239
	<u>9,742,895</u>	<u>7,829,164</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2014 HK\$'000	2013 HK\$'000
NON-CURRENT ASSETS			
Fixed assets			
- Investment properties		14,695,461	12,978,189
- Other property, plant and equipment		15,475,000	14,160,170
Interest in associates		7,733,675	6,945,966
Interest in joint ventures		306,899	265,779
Available-for-sale financial assets		14,027,703	12,239,563
Deferred tax assets		-	30,228
Intangible assets		9,837,415	9,077,698
Goodwill		1,395,616	1,226,940
		<u>63,471,769</u>	<u>56,924,533</u>
CURRENT ASSETS			
Development properties		27,729,083	30,847,421
Properties held for sale		3,772,189	3,776,677
Trade and other receivables	9	5,469,844	4,599,115
Trading financial assets		14,294,468	11,820,487
Cash and short term funds		14,006,644	16,079,428
		<u>65,272,228</u>	<u>67,123,128</u>
CURRENT LIABILITIES			
Trade and other payables	10	5,984,966	8,107,664
Bank loans and other borrowings		18,917,349	13,891,258
Taxation		902,676	1,283,867
Provisions and other liabilities		148,458	234,131
		<u>25,953,449</u>	<u>23,516,920</u>
NET CURRENT ASSETS		<u>39,318,779</u>	<u>43,606,208</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>102,790,548</u>	<u>100,530,741</u>
NON-CURRENT LIABILITIES			
Bank loans and other borrowings		29,645,479	36,175,962
Amount due to non-controlling interests		896,653	806,955
Provisions and other liabilities		703,939	643,884
Deferred tax liabilities		484,825	418,821
		<u>31,730,896</u>	<u>38,045,622</u>
NET ASSETS		<u>71,059,652</u>	<u>62,485,119</u>
CAPITAL AND RESERVES			
Share capital		1,275,200	1,276,195
Reserves		54,968,924	49,282,030
Total equity attributable to equity shareholders of the Company		<u>56,244,124</u>	<u>50,558,225</u>
Non-controlling interests		14,815,528	11,926,894
TOTAL EQUITY		<u>71,059,652</u>	<u>62,485,119</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") and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that 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 revised HKFRSs and amendments to HKFRSs, which term collectively includes HKASs and Interpretations, that became effective for the current accounting period of the Group. The adoption of the revised standards, amendments and interpretations had no material impact on the results and financial position of the Group.

HKFRS 12, Disclosure of Interests in Other Entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards.

HKFRS 13, Fair Value Measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance and contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments.

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

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 June 2014 comprise the Company and its subsidiaries and the Group's interests in associates and joint ventures.

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

(b) Basis of preparation of the financial statements (cont'd)

The measurement basis used in the preparation of the financial statements is the historical cost basis 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 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, Vietnam and Hong Kong.	Subsidiaries
Hospitality and leisure business:	This business segment owns, leases or manages hotels and operates gaming and leisure businesses 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 the financial year 2012/13.

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 2014							
Turnover	15,931,256	7,967,771	12,026,668	76,771	-	-	36,002,466
Revenue from external customers	1,251,878	7,967,771	12,026,668	76,771	-	-	21,323,088
Inter-segment revenue	26,593	8,999	11,122	6,317	-	-	53,031
Reportable segment revenue	1,278,471	7,976,770	12,037,790	83,088	-	-	21,376,119
Operating profit	3,513,051	2,143,315	747,033	18,276	291,002	-	6,712,677
Finance costs	(298,249)	(526,973)	(459,302)	(10,014)	(3,705)	-	(1,298,243)
Valuation surplus on investment properties	-	792,460	-	-	-	-	792,460
Share of profits of associates	-	50,736	-	-	-	1,031,772	1,082,508
Share of profits of joint ventures	-	68,447	-	-	-	-	68,447
Profit before taxation	3,214,802	2,527,985	287,731	8,262	287,297	1,031,772	7,357,849
Segment assets and liabilities							
As at 30 June 2014							
Reportable segment assets	37,504,949	53,692,725	27,646,514	967,511	891,724	-	120,703,423
Interest in associates	-	831,632	-	-	-	6,902,043	7,733,675
Interest in joint ventures	-	306,899	-	-	-	-	306,899
Total assets	37,504,949	54,831,256	27,646,514	967,511	891,724	6,902,043	128,743,997
Reportable segment liabilities	11,276,109	34,369,802	11,700,648	337,786	-	-	57,684,345

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 2013							
Turnover	8,014,217	5,511,889	10,567,709	46,642	-	-	24,140,457
Revenue from external customers	903,667	5,511,889	10,567,709	46,642	-	-	17,029,907
Inter-segment revenue	26,583	8,199	-	2,358	-	-	37,140
Reportable segment revenue	930,250	5,520,088	10,567,709	49,000	-	-	17,067,047
Operating profit/(loss)	4,668,562	1,996,717	623,879	(520)	311,304	-	7,599,942
Finance costs	(278,586)	(541,339)	(376,918)	(1,854)	(3,118)	-	(1,201,815)
Valuation surplus on investment properties	-	221,798	-	-	-	-	221,798
Share of profits of associates	-	75,288	-	-	-	948,486	1,023,774
Share of profits of joint ventures	-	32,113	-	-	-	-	32,113
Profit/(loss) before taxation	4,389,976	1,784,577	246,961	(2,374)	308,186	948,486	7,675,812
Segment assets and liabilities							
As at 30 June 2013							
Reportable segment assets	33,683,927	55,834,680	25,426,969	992,498	897,842	-	116,835,916
Interest in associates	-	869,785	-	-	-	6,076,181	6,945,966
Interest in joint ventures	-	265,779	-	-	-	-	265,779
Total assets	33,683,927	56,970,244	25,426,969	992,498	897,842	6,076,181	124,047,661
Reportable segment liabilities	11,940,368	37,879,418	11,238,370	503,533	853	-	61,562,542

2. SEGMENT REPORTING (cont'd)

(b) Reconciliations of reportable segment revenue and finance costs

Revenue

	2014 HK\$'000	2013 HK\$'000
Reportable segment revenue	21,376,119	17,067,047
Elimination of inter-segment revenue	<u>(53,031)</u>	<u>(37,140)</u>
Consolidated revenue (note 3)	<u><u>21,323,088</u></u>	<u><u>17,029,907</u></u>

Finance costs

	2014 HK\$'000	2013 HK\$'000
Reportable finance costs	1,298,243	1,201,815
Elimination of inter-segment finance costs	<u>(15,742)</u>	<u>(22,386)</u>
Consolidated finance costs (note 5 (a))	<u><u>1,282,501</u></u>	<u><u>1,179,429</u></u>

2. SEGMENT REPORTING (cont'd)

(c) Geographical information

The following table illustrates 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		Profit/(loss) from operations	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The People's Republic of China				
- Hong Kong	1,336,477	957,864	3,229,443	4,395,771
- Mainland China	2,531,216	108,797	916,472	(556,566)
United Kingdom and Continental Europe	11,737,984	10,289,737	355,775	523,561
Singapore	4,943,762	5,022,520	(Note) 507,170	1,643,216
Australasia and others	773,649	650,989	405,574	392,145
	21,323,088	17,029,907	5,414,434	6,398,127
	Segment assets		Specified non-current assets	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The People's Republic of China				
- Hong Kong	38,401,611	34,524,043	433,647	414,446
- Mainland China	23,103,792	26,549,013	1,346,298	1,426,669
United Kingdom and Continental Europe	25,216,236	23,101,154	23,268,000	21,015,095
Singapore	26,624,617	25,663,699	13,723,199	12,404,209
Australasia and others	15,397,741	14,209,752	10,672,922	9,394,323
	128,743,997	124,047,661	49,444,066	44,654,742

Note:

In accordance with applicable Hong Kong Financial Reporting Standards, at Group level, revenue arising from the sale of properties has been recognised 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\$320.1 million (2013: HK\$202.5 million) in Singapore have been deferred for recognition in the consolidated financial statements. The Group has recognised operating profits of GuocoLand of HK\$280.6 million (2013: HK\$1.4 billion) which have been deferred in previous years. Up to 30 June 2014, accumulated operating profits of GuocoLand totalling HK\$534.0 million (2013: HK\$503.4 million) in Singapore have been deferred for recognition, and will be recognised by the Group upon completion of the relevant development projects in subsequent years.

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, hotel and gaming operations, securities and commodities broking and investment advisory.

An analysis of the amount of each significant category of turnover and revenue from principal activities during the year is as follows:

	2014	2013
	HK\$'000	HK\$'000
Revenue from sale of properties	7,733,117	5,298,701
Revenue from hotel and gaming operations	11,972,599	10,505,158
Interest income		
- from listed securities	-	25,768
- others	342,994	177,398
Dividend income		
- from listed securities	1,020,495	820,646
- others	54,209	-
Rental income from properties	138,459	133,107
Securities commission and brokerage	38,358	27,925
Others	22,857	41,204
Revenue	21,323,088	17,029,907
Proceeds from sale of investments in securities	14,679,378	7,110,550
Turnover	36,002,466	24,140,457

4. OTHER NET INCOME

	2014 HK\$'000	2013 HK\$'000
Net realised and unrealised gains on trading financial assets	2,252,159	3,969,255
Net realised and unrealised gains on derivative financial instruments	55,526	19,485
Net realised gains on disposal of available-for-sale financial assets	161,688	44,462
Net gains on foreign exchange contracts	72,291	41,840
Other exchange losses	(54,426)	(5,779)
Net losses on disposal of fixed assets	(527)	(6,764)
Gain on disposal of subsidiaries and associates	608,589	24,349
Other income	8,573	22,619
	<u>3,103,873</u>	<u>4,109,467</u>

5. PROFIT FOR THE YEAR BEFORE TAXATION

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

(a) Finance costs

	2014 HK\$'000	2013 HK\$'000
Interest on bank advances and other borrowings wholly repayable within five years	1,722,403	1,667,068
Other borrowing costs	165,269	182,525
Total borrowing costs	<u>1,887,672</u>	<u>1,849,593</u>
Less: borrowing costs capitalised into:		
- development properties	(330,996)	(409,528)
- investment properties	(245,210)	(233,270)
- other property, plant and equipment	(28,965)	(27,366)
Total borrowing costs capitalised (Note)	<u>(605,171)</u>	<u>(670,164)</u>
	<u>1,282,501</u>	<u>1,179,429</u>

Note: These borrowing costs have been capitalised at rates of 1.73% to 7.56% per annum (2013: 1.11% to 7.57%).

(b) Staff cost

	2014 HK\$'000	2013 HK\$'000
Contributions to defined contribution retirement plans	100,248	66,879
Expenses recognised in respect of defined benefit retirement plans	4,774	7,640
Total retirement costs	<u>105,022</u>	<u>74,519</u>
Equity-settled share-based payment expenses/(forfeited)	357	(19,229)
Salaries, wages and other benefits	3,890,644	3,481,097
	<u>3,996,023</u>	<u>3,536,387</u>

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

(c) Other items

	2014 HK\$'000	2013 HK\$'000
Depreciation	722,168	679,527
Provision of allowance for foreseeable losses on development properties	-	14,901
Impairment losses		
- other property, plant and equipment	89,583	31,943
- intangible assets	100,612	19,757
- goodwill	-	225,482
Amortisation		
- casino licences and brand name	10,192	8,439
- Bass Strait oil and gas royalty	30,460	34,130
- other intangible assets	70,927	60,790
Operating lease charges		
- properties	655,248	520,830
- others	46,939	69,028
Auditors' remuneration		
- audit services	17,571	17,391
- tax services	2,628	2,125
- other services	1,790	1,939
Donations	5,650	5,849
	<u>(138,459)</u>	<u>(133,107)</u>
Gross rental income from investment properties		
Less: direct outgoings	<u>38,498</u>	<u>39,917</u>
Net rental income	<u>(99,961)</u>	<u>(93,190)</u>
Share of profits of associates:		
- listed	(1,045,770)	(987,906)
- unlisted	<u>(36,738)</u>	<u>(35,868)</u>
	<u>(1,082,508)</u>	<u>(1,023,774)</u>
Share of profits of joint ventures:		
- unlisted	<u>(68,447)</u>	<u>(32,113)</u>

6. TAX EXPENSES

Tax expenses in the consolidated income statement represent:

	2014 HK\$'000	2013 HK\$'000
Current tax - Hong Kong Profits Tax		
Provision for the year	2,581	1,528
Over-provision in respect of prior years	<u>(8)</u>	<u>(9,681)</u>
	<u>2,573</u>	<u>(8,153)</u>
Current tax - Overseas		
Provision for the year	512,496	836,168
Over-provision in respect of prior years	<u>(151,295)</u>	<u>(164,452)</u>
	<u>361,201</u>	<u>671,716</u>
Deferred tax		
Origination and reversal of temporary differences	230,786	105,849
Utilisation of deferred tax asset in relation to tax losses	4,147	4,631
Effect of changes in tax rate on deferred tax balances	<u>(60,262)</u>	<u>109</u>
	<u>174,671</u>	<u>110,589</u>
	<u>538,445</u>	<u>774,152</u>

The provision for Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) of the estimated assessable profits for the year ended 30 June 2014. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

7. DIVIDENDS

	2014 HK\$'000	2013 HK\$'000
Year 2012/2013:		
Special interim dividend in specie paid of HK\$5.01 per ordinary share (Note) (Year 2011/2012: Nil)	1,626,231	-
Final dividend paid of HK\$1.50 per ordinary share (Year 2011/2012: HK\$1.70 per ordinary share)	487,383	553,029
Year 2013/2014:		
Interim dividend paid of HK\$1.00 per ordinary share (Year 2012/2013: Nil)	<u>324,741</u>	-
	<u>2,438,355</u>	<u>553,029</u>
Year 2013/2014:		
Proposed final dividend of HK\$3.00 per ordinary share (Year 2012/2013: HK\$1.50 per ordinary share)	<u>987,154</u>	<u>493,577</u>

7. DIVIDENDS (cont'd)

Note: Following the declaration of the special interim dividend in respect of the financial year ended 30 June 2013 on 3 July 2013, the distribution of shares in The Rank Group Plc ("Rank Share") was completed on 5 September 2013 ("settlement date"). Based on the closing price of GBp153.1 per Rank Share and the exchange rate on this settlement date, the special interim dividend paid was approximately HK\$1,626.2 million, representing approximately HK\$5.01 per ordinary share.

The final dividend proposed for the year ended 30 June 2014 of HK\$987,154,000 (2013: HK\$493,577,000) is calculated based on 329,051,373 ordinary shares (2013: 329,051,373 ordinary shares) in issue as at 30 June 2014.

The final dividend proposed after the end of the reporting period have not been recognised as a liability at the end of the reporting period in the accounts.

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$5,752,227,000 (2013: HK\$6,296,389,000) and the weighted average number of 325,024,511 ordinary shares (2013: 325,024,511 ordinary shares) in issue during the year.

(b) Diluted earnings per share

For the year ended 30 June 2014 and 2013, the diluted earnings per share equalled the basic earnings per share as there was no dilutive potential ordinary share outstanding during the years.

9. TRADE AND OTHER RECEIVABLES

	2014 HK\$'000	2013 HK\$'000
Trade debtors	1,412,791	2,350,946
Accrued receivables for sales consideration not yet billed on completed development properties	1,349,561	717,838
Deposits and prepayments	2,622,234	1,431,122
Derivative financial instruments, at fair value	46,597	92,368
Interest receivables	38,661	6,841
	<u>5,469,844</u>	<u>4,599,115</u>

Included in trade and other receivables is HK\$83.7 million (2013: HK\$65.9 million) which is expected to be recovered after one year.

9. TRADE AND OTHER RECEIVABLES (cont'd)

As of the end of reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

	2014 HK\$'000	2013 HK\$'000
Within 1 month	1,373,580	2,317,833
1 to 3 months	31,499	16,382
More than 3 months	7,712	16,731
	<u>1,412,791</u>	<u>2,350,946</u>

10. TRADE AND OTHER PAYABLES

	2014 HK\$'000	2013 HK\$'000
Trade creditors	978,191	1,409,582
Other payables and accrued operating expenses	4,749,310	6,473,662
Derivative financial instruments, at fair value	93,172	94,385
Amounts due to fellow subsidiaries	163,998	127,413
Amounts due to associates	295	2,622
	<u>5,984,966</u>	<u>8,107,664</u>

Included in trade and other payables is HK\$990.5 million (2013: HK\$923.8 million) which is expected to be payable after one year.

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	2014 HK\$'000	2013 HK\$'000
Within 1 month	906,287	1,218,586
1 to 3 months	17,044	116,841
More than 3 months	54,860	74,155
	<u>978,191</u>	<u>1,409,582</u>

The amounts due to fellow subsidiaries and associates 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 (2014: US\$1 = HK\$7.75075, 2013: US\$1 = HK\$7.7568).

DIVIDEND

The Directors will recommend to the shareholders for approval at the forthcoming annual general meeting a final dividend of HK\$3.00 per share, totalling HK\$987.2 million payable for the financial year ended 30 June 2014. Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 25 November 2014, the final dividend will be payable on 11 December 2014 to the shareholders whose names appear on the Register of Members of the Company on 2 December 2014.

REVIEW OF OPERATIONS

Financial Results

The audited consolidated profit attributable to equity shareholders for the year ended 30 June 2014, after taxation and non-controlling interests, amounted to HK\$5,752 million, as compared to HK\$6,296 million for the previous year. Basic earnings per share amounted to HK\$17.70.

For the year ended 30 June 2014, profits (before taxation) were generated from the following sources:

- principal investment of HK\$3,513 million;
- property development and investment of HK\$2,143 million, including release of operating profits which have been deferred in previous years of HK\$280.6 million;
- hospitality and leisure business of HK\$747 million;
- oil and gas royalty of HK\$291 million; and
- contributions from associates and joint ventures of HK\$1,151 million.

Revenue increased by 25% to HK\$21.3 billion. The increase was mainly attributable to the increase in revenue derived from the property development and investment sector of HK\$2.5 billion and hospitality and leisure sector of HK\$1.5 billion.

Principal Investment

The upward trend in financial markets has positively impacted our portfolio. We took advantage of this market strength and realised profits in some of the positions during the year. While the current momentum could prevail longer, we recognise that equity markets have already recovered strongly and valuations in most cases are no longer cheap. In order to minimise the risk of any market correction, our strategy remained prudently focused on identifying long-term cyclical trends as well as laggards with good recovery potential. We continued to spend more attention on the Asian markets and China in particular due to more attractive price levels and valuation.

Group Treasury continued to oversee the financial exposure and risk management of the Group as well as to optimise returns through monitoring global economic conditions, financial market regulations and development, foreign exchange and interest rate trends.

Property Development and Investment

GuocoLand Limited (“GuocoLand”)

GuocoLand ended the financial year 2013/14 with a profit attributable to equity holders of S\$304.2 million as compared to S\$40.5 million in the previous financial year, representing a significant increase of 651%.

Revenue achieved for the year was S\$1,251.4 million which had increased by close to two times as compared to the previous financial year. The improvement was mainly due to higher revenue and profit recognised for GuocoLand’s Singapore residential projects and Seasons Park in Tianjin, China.

Other income increased by S\$156.0 million in the financial year as compared to that of the previous financial year. This was largely due to a gain from sale of GuocoLand’s interest in certain subsidiaries and the fair value gain from investment properties. Tax expense increased by S\$22.2 million because of higher operating profit and the gain from sale of subsidiaries.

GuocoLand’s shareholders’ equity was S\$2.82 billion as at 30 June 2014, an increase of 7% from 30 June 2013. The increase was principally due to profit recorded for GuocoLand during the financial year.

Singapore

GuocoLand (Singapore) Pte. Ltd. (“GuocoLand Singapore”) continues to be the main contributor of GuocoLand’s revenue and profit for the year ended 30 June 2014. Profit from operating activities of GuocoLand Singapore improved by 46% as compared to the previous financial year mainly due to higher revenue recognition and fair value gain from investment properties. In Singapore, the government had announced that it was premature to relax the property market cooling measures.

China

Revenue from GuocoLand (China) Limited (“GuocoLand China”) increased by S\$358.6 million for the year ended 30 June 2014. GuocoLand China recorded operating profit of S\$165.1 million for the financial year as compared to a loss in the previous year.

In China, prices and transaction volume in the residential market in large cities are declining. Inventory of unsold homes in large cities has been rising. However, rising urbanisation and growth in urban income will continue to be supportive of the residential property market in China.

Although GuocoLand is operating in a challenging environment in Singapore and China, it will continue to focus on sales of its residential units. GuocoLand will also be watchful of investment opportunities.

Hospitality and Leisure Business

GuocoLeisure Limited (“GuocoLeisure”)

GuocoLeisure recorded a profit after tax of US\$38.6 million for the year ended 30 June 2014, a decrease of 11.5% as compared to US\$43.6 million in the previous year. The decrease was mainly due to the impairment charge on the casino brand name, the recoverable amount of which was lower than the carrying cost during the year.

Revenue stood at US\$406.0 million, which was 6.8% above that of the previous year. This was mainly due to higher revenues generated from the hotel segment as a result of higher RevPAR achieved during the year.

Income from the Bass Strait oil and gas royalty in Australia decreased by 7.0% to US\$41.5 million, principally due to lower average crude oil and gas prices and lower oil and gas production as compared to the previous financial year. In addition, the depreciation of AUD/USD contributed to a lower income for the financial year.

Direct costs increased by 3.1% as compared to the previous year. This was resulted mainly from the increasing cost in hotel and gaming operations in tandem with the increase in revenue during the year.

Personnel expenses increased by 17.7% for the year. This was mainly due to the recruitment of additional staff for the UK hotel operations to facilitate the ongoing business transformation and rebranding strategy.

GuocoLeisure’s shareholders’ equity as at 30 June 2014 increased by 10.0% to US\$1,217.3 million from US\$1,106.5 million as at 30 June 2013, principally attributed to earnings generated during the year together with the net foreign exchange translation gain, which arose from the translation of the GBP denominated net assets into USD.

The Rank Group Plc (“Rank”)

Rank registered an increase of 10% in its profit after taxation (before exceptional items and discontinued operations) for the year ended 30 June 2014 to GBP52.8 million.

Revenue from continuing operations grew by 14% to GBP678.5 million, following the acquisition of 19 casinos in May 2013 and the taxes on gaming machines moving from a sales tax to gaming duty from 1 February 2013. The gaming duty effectively grosses up revenue but has no material impact on overall profitability.

Operating profit before exceptional items of GBP72.4 million was up by 4% compared to the previous year. The Grosvenor Casinos brand delivered a good increase in operating profit, including the contribution generated from the 19 acquired casinos and reduced losses in its digital channel. However Rank’s London casinos underperformed against a tough comparative period, impacted by lower customer spends and lower win margins. Mecca’s profits were adversely impacted by reduced customer visitation with increased costs and competition in the digital channel.

Exceptional items and discontinued operations totalling GBP32.6 million comprised repayment of output VAT following a decision by the UK Court of Appeal in late 2013, impairment and onerous lease costs for an underperforming UK casino and three Spanish bingo clubs, closure costs for loss-making bingo clubs in the UK and Spain, planned further integration costs associated with the Gala Casinos acquisition, direct tax refunds on previously disposed businesses plus the associated tax consequences of these issues. Rank has appealed the Court of Appeal decision but was required to repay the output VAT ahead of the hearing at the UK Supreme Court in April 2015.

Financial Services

Hong Leong Financial Group Berhad (“HLFG”)

HLFG achieved a profit before tax of RM3,009.2 million for the financial year ended 30 June 2014 as compared to RM2,630.0 million in the previous year, an increase of RM379.2 million or 14.4%. This marks a significant financial performance milestone for HLFG: achieving an annual profit before tax of over RM3 billion. The overall increase in profit before tax was contributed by all of its operating divisions, especially from the insurance division which had a good year in terms of results, reaping efforts from the continued execution of strategic plans pursued over the last few years.

The commercial banking division recorded a profit before tax of RM2,613.2 million for the financial year ended 30 June 2014, an increase of RM220.3 million or 9.2% versus the previous year. The bank's revenue line registered an increase of RM32.3 million as compared to last year with continued pressure from a lower net interest margin which was mitigated by a loan growth of 7.2%. The bank's improved results over last year mainly came from an overall decrease in expenses of 3%, a larger net writeback of impairment losses over higher loan loss provisions and a much higher contribution from HLFG's share of profits from the Bank of Chengdu Co., Ltd (“BOCD”) and the Sichuan Jincheng Consumer Finance joint venture which together registered an increase of 42%. Collectively, the contributions from BOCD and the Sichuan Jincheng Consumer Finance joint venture totalling RM378.6 million has risen to represent 14.5% of the bank's profit before tax from 11.2% last year.

The insurance division registered a profit before tax of RM350.4 million for the financial year ended 30 June 2014 as compared to RM183.9 million in the previous year, an increase of RM166.5 million or 90.5%. The increase was largely due to higher net income of RM169.2 million, higher share of profit from associate company by RM2.5 million and lower impairment loss of RM1.3 million. This was offset by higher operating expenses of RM6.5 million.

The investment banking division recorded a profit before tax of RM78.9 million for the financial year ended 30 June 2014 which is better than the RM67.9 million in the previous year by RM11.0 million or 16.2%. This was mainly due to higher contributions from the stockbroking division.

GROUP FINANCIAL COMMENTARY

Capital Management

- The Group's consolidated total equity (including non-controlling interests) as at 30 June 2014 amounted to HK\$71.1 billion, an increase of 14% compared to the total equity as at 30 June 2013.
- The Group's consolidated total equity attributable to equity shareholders of the Company as at 30 June 2014 amounted to HK\$56.2 billion, an increase of HK\$5.7 billion compared to the previous year.
- The equity-debt ratio as at 30 June 2014 is as follows:

	HK\$'M
Total borrowings	48,563
Less: Cash and short term funds	(14,007)
Marketable securities	<u>(14,294)</u>
Net debt	<u>20,262</u>
Total equity attributable to equity shareholders of the Company	<u>56,244</u>
Equity-debt ratio	<u>74 : 26</u>

- The Group's total cash balance and marketable securities were mainly in USD (29%), HKD (20%), GBP (15%), MYR (12%) and RMB (8%).

Total Borrowings

The decrease in total borrowings from HK\$50.1 billion as at 30 June 2013 to HK\$48.6 billion as at 30 June 2014 was primarily due to the repayment of loans by GuocoLand. The Group's total borrowings are mainly denominated in SGD (55%), USD (15%), GBP (10%), HKD (6%) and RMB (5%).

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	12,208	1,848	4,861	18,917
After 1 year but within 2 years	2,302	-	2,097	4,399
After 2 years but within 5 years	16,783	-	6,426	23,209
After 5 years	425	769	844	2,038
	<u>19,510</u>	<u>769</u>	<u>9,367</u>	<u>29,646</u>
	<u>31,718</u>	<u>2,617</u>	<u>14,228</u>	<u>48,563</u>

Bank loans, mortgage debenture stock and other borrowings are secured by certain properties, fixed assets and trading financial assets with an aggregate book value of HK\$38.3 billion.

Committed borrowing facilities available to Group companies and not yet drawn as at 30 June 2014 amounted to approximately HK\$9.9 billion.

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 2014, approximately 64% of the Group's borrowings were at floating rates and the remaining 36% were at fixed rates. The Group had outstanding interest rate swaps with notional amount of HK\$3.4 billion.

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 2014, there were outstanding foreign exchange contracts with a total notional amount of HK\$23.7 billion for hedging of foreign currency equity and bond investments.

Equity Price Exposure

The Group maintains an investment portfolio which comprises majority listed 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, pending judgement from the courts.

As previously stated, GuocoLand is exploring options and opportunities to manage its interest in DZM. GuocoLand has from time to time received proposals from third parties concerning GuocoLand's interests in DZM and has engaged in discussions with some of them. So far, there is nothing concrete and the outcome is uncertain.

(b) Rank

i) Rank liabilities relating to Fiscal Neutrality Case

In previous periods Rank disclosed a contingent liability in respect of a claim for repayment of output VAT on amusement machines. In May 2010, Rank received GBP30.7 million (approximately HK\$405.4 million) (VAT of GBP26.4 million (approximately HK\$348.8 million) plus interest of GBP4.3 million (approximately HK\$56.6 million)) in respect of the claim, which has been the subject of ongoing litigation. During the period, the Court of Appeal found in favour of HM Revenue & Customs ("HMRC") and consequently an amount of GBP26.4 million (approximately HK\$348.8 million) was provided to cover the expected outflow, together with an accrual for interest of GBP4.3 million (approximately HK\$56.6 million). In May 2014, a payment was made to HMRC in respect of these claims, with the remaining balance being the directors' best estimate of the outflow likely to arise. Rank has been granted leave to appeal to the Supreme Court, and it therefore remains possible Rank will not ultimately be liable for these amounts. The appeal will be held in April 2015.

ii) Other VAT and duty

In previous periods Rank has disclosed contingent liabilities in respect of a limited number of VAT and duty issues. At 30 June 2013 Rank estimated its total exposure in relation to be approximately GBP29 million (approximately HK\$379.8 million) (plus interest), of which GBP12.2 million (approximately HK\$161.2 million) (plus interest) was provided. During the year Rank has paid GBP11.9 million (approximately HK\$157.3 million) (plus interest of GBP0.8 million (approximately HK\$10.9 million)) as settlement of these VAT and duty issues.

iii) Property leases

Concurrent to the GBP211 million (approximately HK\$2,782.5 million) sale and leaseback in 2006, Rank transferred the rights and obligations but not the legal titles of 44 property leases to a third party. Rank remains potentially liable in the event of default by the third party. Should default occur then Rank would have recourse to two guarantors. It is understood that, of the original 44 leases transferred, 16 of these have not expired or been surrendered. These 16 leases have durations of between one month and 99 years and a current annual rental obligation (net of sub-let income) of approximately GBP1.5 million (approximately HK\$20.2 million).

During the year, Rank became aware of certain information in respect of a deterioration in the financial position of the third party and one of the guarantors. However, Rank has not to date been notified of any default, or intention to default, in respect of the transferred leases.

HUMAN RESOURCES AND TRAINING

The Group employed approximately 14,000 employees as at 30 June 2014. 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 results of the Group and individual achievement as incentives to optimise performance. In addition, share based award schemes are in place for granting share options and / or free shares to eligible employees to align their long term interests with those of the shareholders and for the purposes of staff motivation and talent retention.

GROUP OUTLOOK

The combination of recovering growth in major economies and the continuing ultra-accommodative monetary policy is positive to financial assets. While major central banks are expected to remain accommodative, divergence is emerging with the Fed finishing its tapering over the next few months and the BoE moving closer to tightening. Under these circumstances, volatility may increase and could put pressure on equity prices. In view of this assessment, our Principal Investment will remain prudent in managing its investment portfolio and will focus on identifying long-term cyclical trends and under-valued situations.

Each of our core businesses will continue respectively to focus on building a high performance business and strengthening the foundations for sustainable profitability and growth and in the process to enhance our capital value.

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 Company has complied throughout the year with the HKEx Code, save that non-executive directors are 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.

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 audit annual results of the Company for the year ended 30 June 2014 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)	21 November 2014 (Friday) to 25 November 2014 (Tuesday)
Latest time to lodge transfers	4:30 p.m. on 20 November 2014 (Thursday)
Record date	25 November 2014 (Tuesday)
Annual General Meeting	25 November 2014 (Tuesday)

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

Closure date of Register of Members	2 December 2014 (Tuesday)
Latest time to lodge transfers	4:30 p.m. on 1 December 2014 (Monday)
Record date	2 December 2014 (Tuesday)
Proposed final dividend payment date	11 December 2014 (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.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 29 August 2014

As at the date of this announcement, the board of directors of the Company comprises Mr Quek Leng Chan as 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 Volker Stoeckel, Mr Roderic N. A. Sage and Mr David Michael Norman as independent non-executive directors.