

For immediate release

3 September 2018

GUOCO GROUP LIMITED
(the “Company” or “Guoco”)

FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2018

| FINANCIAL HIGHLIGHTS | | | |
|---|---------------|---------------|-------------------|
| | 2018 | 2017 | <i>Increase /</i> |
| | HK\$'M | HK\$M | <i>(Decrease)</i> |
| Turnover | <u>35,589</u> | <u>23,220</u> | 53% |
| Revenue | 30,640 | 13,960 | 119% |
| Profit from operations | 5,809 | 5,518 | 5% |
| Profit attributable to equity shareholders of the Company | 4,899 | 6,124 | (20%) |
| | <u>HK\$</u> | <u>HK\$</u> | |
| Earnings per share | 15.07 | 18.84 | (20%) |
| Dividend per share : Interim | 1.00 | 1.00 | |
| Proposed final | - | 3.00 | |
| Total | <u>1.00</u> | <u>4.00</u> | (75%) |
| Equity per share attributable to equity shareholders of the Company | 198.99 | 188.20 | 6% |

(3 September 2018, Hong Kong) Guoco Group Limited (Stock Code: 53) announced today its final results for the year ended 30 June 2018.

FINANCIAL RESULTS

The audited consolidated profit attributable to equity shareholders for the year ended 30 June 2018, after taxation and non-controlling interests, amounted to HK\$4,899 million, down 20% as compared to HK\$6,124 million for the previous year. Basic earnings per share amounted to HK\$15.07.

For the year ended 30 June 2018, profit before taxation was generated from the following sources:

- property development and investment of HK\$6,247 million;
- hospitality and leisure of HK\$1,073 million;
- financial services of HK\$934 million;
- principal investment of HK\$327 million;
- oil and gas royalty of HK\$154 million;

and was offset by HK\$834 million of finance costs.

Revenue increased by 119% to HK\$30.6 billion, attributed by the increase in property development and investment sector of HK\$15.8 billion.

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DIVIDENDS

The Company has declared an interim dividend of HK\$1.00 per share which was paid in March 2018. In the light of the Privatisation Proposal announced by the Company and GuoLine Overseas Limited (as the Offeror) on 2 July 2018, the Company does not intend to declare any final dividend.

GUOCO’S CORE BUSINESSES

Principal Investment

During the year, the Group recognized an operating profit generated from the Principal Investment (including dividend income) of HK\$327 million, down 92% as compared to last year.

In the first half of the financial year, the Group crystallized profits from the investments in Japan and China. The emphasis on dividend paying stocks provided stability to the value of its investments in the volatile second half of the year. The realised profit and the dividend income have mitigated the adverse mark-to-market fair valuation impact on its investment portfolio due to softening of the equity markets.

The treasury team performed well in optimizing the returns in foreign exchange and interest rate management for the Group. Foreign currency exposures with appropriate hedging netted good results in the year ended 30 June 2018. With the successful deployment of yield enhancement strategies, a modest positive net interest income was generated despite a larger loan liability in this financial year.

Property Development and Investment

GuocoLand Limited (“GuocoLand”)

GuocoLand ended the financial year with revenue of S\$1.16 billion and profit attributable to equity holders of S\$381.3 million, an increase of 4% and 7% respectively as compared to the previous financial year. Revenue in the current financial year was supported by stable contributions from GuocoLand’s property development business, as well as higher contributions from the property investment business.

“GuocoLand expects business conditions in the countries in which it operates to continue to be challenging,” said Mr. Kwek Leng Hai, Executive Chairman of Guoco Group. “Given a good track record as a developer of quality properties, GuocoLand will continue its focus on delivering well-designed, good quality properties in prime locations that appeal to buyers and tenants.”

More details are available at www.guocoland.com.sg.

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Hospitality and Leisure

GL Limited (“GL”)

GL recorded a profit after tax for the year ended 30 June 2018 at US\$58.9 million, an increase of 20% as compared to US\$48.9 million in the previous financial year. Revenue decreased by 1% year-on-year to US\$344.4 million mainly due to lower revenue generated by hotel and oil and gas segments.

The refurbishment of The Cumberland Hotel is progressing into its final stage and the hotel is on track to be launched as Hard Rock Hotel London in 2019. GL’s total rooms available for sale will continue to be affected during this refurbishment period.

The London hotel market will remain challenging for the next 12 months. Under such operating environment, GL is focusing on an occupancy-led strategy in order to maintain RevPAR and protect its market share. GL maintains its cautious outlook on the London hotel market.

More details are available at <http://www.gl-grp.com>.

The Rank Group Plc (“Rank”)

Rank recorded a profit after tax (before exceptional items) for the year ended 30 June 2018 of GBP58.5 million, a decrease of 7.3% as compared to the previous year. Statutory revenue decreased by 2.3% to GBP691.0 million. The lower performance was primarily due to lower win margin, softer revenues from its retail channels, stringent customer due diligence introduced by the Gaming Commission and extreme weather in the UK. However, its digital operations continued to register revenue growth and generated 17% of the group’s total revenue.

Mr. Kwek Leng Hai stated, “The new leadership team of Rank has initiated a transformation programme to deliver revenue growth, greater cost efficiency and operational improvements across the group. Rank is one of the few gaming companies in a position to provide customers a multi-channel gaming experience. It remains confident in its strategic direction to drive sustainable profit growth.”

More details are available at www.rank.com.

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Financial Services

Hong Leong Financial Group Berhad (“HLFG”)

HLFG achieved a record profit before tax of RM3,578.6 million for the year ended 30 June 2018 as compared to RM3,089.9 million last year, an increase of RM488.7 million or 15.8%. The increase was mainly due to higher contribution from the commercial banking and insurance divisions.

More details are available at www.hlfg.com.my.

GROUP OUTLOOK

The ongoing global trade tensions together with geo-political uncertainties in various quarters of the world along with the November 2018 congressional elections in the U.S. will provide a backdrop of uncertainty and a damper on economic growth.

“We will remain vigilant and disciplined in managing our core businesses and investments,” commented Mr. Kwek Leng Hai. “We will be mindful of exuberance and continue to expand our businesses and pursue investment opportunities with a time tested value approach.”

(Please visit www.guoco.com or www.hkexnews.hk for Guoco's full final 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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