

For immediate release

29 August 2017

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

FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2017

FINANCIAL HIGHLIGHTS			
	2017	2016	<i>Increase /</i>
	HK\$'M	HK\$'M	<i>(Decrease)</i>
Turnover	23,220	18,878	23%
Revenue	13,960	17,260	(19%)
Profit from operations	5,518	5,118	8%
Profit attributable to equity shareholders of the Company	6,124	3,088	98%
	HK\$	HK\$	
Earnings per share	18.84	9.50	98%
Dividend per share : Interim	1.00	1.00	
Proposed final	3.00	3.00	
Total	4.00	4.00	-
Equity per share attributable to equity shareholders of the Company	188.20	170.71	10%

(29 August 2017, Hong Kong) Guoco Group Limited (Stock Code: 53) announced today its final results for the year ended 30 June 2017.

FINANCIAL RESULTS

The audited consolidated profit attributable to equity shareholders for the year ended 30 June 2017, after taxation and non-controlling interests, amounted to HK\$6,124 million, up 98% as compared to HK\$3,088 million for the previous year. Basic earnings per share amounted to HK\$18.84.

For the year ended 30 June 2017, profit before taxation was generated from the following sources:

- principal investment of HK\$4,080 million;
- property development and investment of HK\$2,787 million;
- hospitality and leisure of HK\$1,262 million;
- financial services of HK\$693 million;
- oil and gas royalty of HK\$162 million;

and was offset by HK\$851 million of finance costs.

Revenue decreased by 19% to HK\$14.0 billion. The decrease was mainly resulted from the decline of property development and investment sector of HK\$1.6 billion together with the hospitality and leisure sector of HK\$1.4 billion.

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DIVIDENDS

In addition to the interim dividend of HK\$1.00 per share already paid, the Company is recommending a final dividend of HK\$3.00 per share. This gives a total dividend of HK\$4.00 per share for the year, keeping intact a healthy dividend payout track record over the years.

GUOCO’S CORE BUSINESSES

Principal Investment

The Company’s investment strategy has always been to unearth hidden gems that are trading at below market valuations or to latch onto a sector or cycle before it turns. The Company had sensed that the stretched valuation of the U.S. stock market would not provide the leadership for gains and had largely stayed away. Instead, the Company had invested a fair amount of assets in the under-performing stock markets of Japan and China where stocks were trading at more attractive valuations.

Property Development and Investment

GuocoLand Limited (“GuocoLand”)

GuocoLand ended the financial year 2016/17 with a profit attributable to equity holders of S\$357.2 million on the back of revenue of S\$1,113.2 million. Revenue for the current financial year increased by 5% primarily due to higher revenue recognised for Singapore. The higher sales and progressive revenue recognition from Singapore’s residential projects in the current year has offset the absence of contribution from the sale of an office block in Shanghai Guoson Centre in the previous year. Gross profit declined by 15% due to lower gross margin arising from the different sales mix in the two periods of review.

During the year, GuocoLand progressed to monetize its inventories to bring development income. Sale of residential units of Sims Urban Oasis and Leedon in Singapore, the luxury condominium blocks of Damansara City in Malaysia and the Changfeng Residence in Shanghai featured during the year. In addition, GuocoLand had recently launched its luxury residential component of Tanjong Pagar Centre, Wallich Residence, and another high-end condominium project, Martin Modern, in Singapore. To maintain a steady supply of property development projects in the pipeline, GuocoLand made selective land acquisitions in Singapore, Chongqing in China and Malaysia in FY2016/17. These would potentially provide 9 million square feet of gross floor area.

“While GuocoLand will concentrate on development and sales of its current projects, it will work to scale up its existing investment property portfolio to grow its base of recurring income,” said Mr. Kwek Leng Hai, Executive Chairman of Guoco Group.

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 2017 at US\$48.9 million, a decrease of 27% as compared to US\$67.4 million in the previous financial year. Revenue decreased by 11% to US\$350.2 million year-on-year, principally due to lower revenue generated from hotel, gaming and property development segments.

The London hospitality market has shown resilience going into the next financial year with occupancy rates expected to remain stable in spite of additional room supply. The weaker GBP is expected to give a boost to international leisure travel into London and bolster domestic travel. However, this will be tempered by uncertainties around the full impact of Brexit, the continued threat of terror attacks and an expected increase in room supply. Given its financial strength, GL will continue to maintain a conservative debt-to-equity ratio and will remain committed to its hotel strategy in the UK.

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 2017 of GBP63.1 million, an increase of 3% as compared to the previous year. Statutory revenue fell marginally to GBP707.2 million, with 12% growth in digital revenue offset by a 3% fall in Mecca Bingo venue visit (following the closure of several under-performing venues) and a 3% fall in Grosvenor Casinos’ revenues (lower gaming win from major customers). However, both retail businesses manage to win market shares despite challenging trading conditions.

Rank is in a strong financial position, possesses market-leading brands with multi-channel distribution and has a clear strategy for sustained long-term growth.

More details are available at www.rank.com.

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Financial Services

Hong Leong Financial Group Berhad (“HLFG”)

HLFG Group achieved a profit before tax of RM3,089.9 million for the year ended 30 June 2017, an increase of RM524.9 million or 20.5% as compared to last year. Excluding the one-off Mutual Separation Scheme expenses in last year, the profit before tax year-on-year increase would be RM352.8 million or 12.9%. The improved HLFG’s financial performance came from higher profit contributions across all operating divisions.

HLFG achieved satisfactory financial results for the year, reflecting the multiple business initiatives undertaken in its operating businesses amidst a challenging economic environment. Business growth remains intact and more importantly, its core businesses continue to show strong credit and liquidity metrics, giving it resilience in such uncertain times.

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

GROUP OUTLOOK

Global economic growth remains below trend. There is room for faster growth in all the major economies as tax and structural reforms may provide further impetus for a sustained economic expansion. However, the odds of a continued and sustained rise in the major equity markets may be stretched as the current bull cycle begins its ninth consecutive year. Therefore, we will remain vigilant and disciplined in managing our core businesses and investments. We will guard against exuberance and remain cautious to pursue a prudent growth strategy and maintain profitability. Shareholders should be mindful that our Principal Investment results are marked-to-market and will therefore remain volatile.

(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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