

For immediate release

15 February 2011

**GUOCO GROUP LIMITED**

**INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

|  | Six months ended 31 December |                |                         |
|--|------------------------------|----------------|-------------------------|
|  | 2010<br>HK\$'M               | 2009<br>HK\$'M | Increase/<br>(Decrease) |
| Turnover   | <b>25,093</b>                | 6,245          | 302%                    |
| Revenue  | <b>3,236</b>                 | 3,383          | (4%)                    |
| Profit from operations before finance cost                   | <b>3,292</b>                 | 1,391          | 137%                    |
| Profit attributable to shareholders of the Company           | <b>3,842</b>                 | 1,063          | 261%                    |
|  | <b>HK\$</b>                  | <b>HK\$</b>    |                         |
| Earnings per share   | <b>11.82</b>                 | 3.27           | 261%                    |
| Interim dividend per share                                   | <b>1.00</b>                  | 0.80           | 25%                     |
|  | <b>As at</b>                 |                |                         |
|  | <b>31 December</b>           | 30 June        |                         |
|  | <b>2010</b>                  | 2010           |                         |
|  | <b>HK\$</b>                  | <b>HK\$</b>    |                         |
| Equity per share attributable to shareholders of the Company | <b>147.26</b>                | 131.75         | 12%                     |

(15 February 2011, Hong Kong) Guoco Group (Guoco Group Limited, Stock Code: 53) announced today its interim results for the six months ended 31 December 2010.

**FINANCIAL RESULTS**

The unaudited consolidated profit attributable to shareholders for the six months ended 31 December 2010, after taxation and non-controlling interests, amounted to HK\$3,842 million, representing an increase of 261% over that of previous corresponding period of HK\$1,063 million. Earnings per share comes to HK\$11.82.

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The major profit contributions (before taxation) were from the following:

- property development and investment of HK\$293 million;
- hospitality and leisure business of HK\$349 million;
- total net exchange gain (including foreign exchange contracts) of HK\$277 million;
- total interest income of HK\$100 million;
- total realised and unrealised gain on trading financial assets of HK\$2,238 million;
- dividend income of HK\$173 million;
- contributions from associates and jointly controlled entities of HK\$810 million;

and set off by finance cost of HK\$223 million.

Revenue decreased by 4% to HK\$3.2 billion. The decrease was mainly attributable to the decrease in property development and investment sector of HK\$469 million (26%), net off by increase in hospitality and leisure sector of HK\$293 million (21%).

**INTERIM DIVIDEND**

The Directors have declared an interim dividend of HK\$1.00 per share for the financial year ending 30 June 2011.

**GUOCO'S CORE BUSINESSES**

Principal Investment

Notwithstanding mixed economic signals such as high unemployment in the US and renewed sovereign debt concerns in parts of Europe, equities advanced higher in the second half of 2010 after a sluggish first half. Sentiment was supported by ample liquidity, continued corporate earnings growth and improved economic data. A second round of quantitative easing by the US Fed further strengthened markets. However, inflationary pressure started to surface in a number of emerging economies. In particular, China quickly implemented interest rate and banks' reserve requirement hikes to cool down its economy. This led to an under-performance in the Hong Kong and China markets.

Guoco Group took advantages of rallies in equity prices by realizing profits in its trading positions. It expects equity prices to maintain an upward trend although volatility will continue.

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Property Development and Investment

*GuocoLand Limited ("GLL")*

GLL achieved revenue of S\$272.7 million and profit attributable to shareholders of S\$35.0 million for the half year ended 31 December 2010. Higher profit was recognised for Singapore development projects in the current financial period. However, the increase was offset by lower profit contribution from China because of fewer property launches.

GLL completed its 1-for-3 renounceable rights issue in December 2010. Guoco had taken up all its rights entitlement. The net proceeds of approximately S\$532 million helped to strengthen GLL's balance sheet. GLL successfully tendered in November 2010 for a prime site in proximity to the Tanjong Pagar MRT Station within the Central Business District which was at the second highest price ever paid for a government tendered land.

Continued economic growth is expected in Singapore and China, which are the core markets for GLL. Governments in these countries continue to adopt pro-active measures to prevent overheating in the property markets. Guoco Group remains optimistic on the medium and long-term prospects of real estate investments in Singapore and China.

Hospitality and Leisure Business

*GuocoLeisure Limited ("GL")*

GL recorded a profit after tax for the half year ended 31 December 2010 at US\$35.8 million, an increase of 104.6% as compared to US\$17.5 million in the previous corresponding period.

Revenues stood at US\$200.1 million, which was 17.2% above that of the previous corresponding period. This was mainly due to higher revenues generated from the hotel operations as well as higher gaming wins.

*The Rank Group, Plc ("Rank")*

Rank issued a trading update for the 49-week period from 1 January 2010 to 5 December 2010 on 9 December 2010. Rank has achieved sustained revenue and earnings growth in the year to date, despite the difficult economic environment in the UK. It achieved an increase of 7% in revenue.

The outlook for 2011 in the UK remains challenging with the increase in the standard rate of VAT and public sector redundancies likely to have a negative effect on consumer sentiment in Great Britain.

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Financial Services

*Hong Leong Financial Group Berhad ("HLFG")*

HLFG will publish its results for the interim period ended 31 December 2010 subsequent to Guoco Group's own interim announcement. Guoco Group has incorporated the consolidated results of HLFG based on their unaudited management accounts.

**OUTLOOK**

Economic stimuli and an easy monetary environment in America will continue to provide a favorable environment to equities generally. However, a number of structural issues remain unresolved. At the same time, rising inflation is of concern. In China, the needs to contain price increases and prevent an asset bubble has led to monetary tightening and other controls. All these will result in some volatility.

(Please visit [www.guoco.com](http://www.guoco.com) or [www.hkexnews.hk](http://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.

Contacts :

Ms. Stella Lo  
Group Company Secretary  
Tel: ( 852 ) 2283 8710  
Fax: ( 852 ) 2285 3210  
E-mail: [stella.lo@guoco.com](mailto:stella.lo@guoco.com)