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國浩集團有限公司
Guoco Group Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 53)

PRELIMINARY ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2019

FINANCIAL HIGHLIGHTS

		2019 HK$'M	2018 HK$'M	*(Decrease)*
Turnover		**19,726**	35,589	*(45%)*
Revenue		**17,475**	30,640	*(43%)*
Profit from operations		**2,368**	5,809	*(59%)*
Profit attributable to equity shareholders of the Company		**3,369**	4,899	*(31%)*
		HK$	HK$	
Earnings per share		**10.36**	15.07	*(31%)*
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		**188.81**	198.99	*(5%)*

RESULTS

The consolidated results of Guoco Group Limited (the "Company") and its subsidiaries (together the "Group") for the financial year ended 30 June 2019 together with comparative figures for the previous year are as follows:

CONSOLIDATED INCOME STATEMENT

	Note	**2019** **HK$'000**	2018 HK$'000
Turnover	3 & 4	**19,725,680**	35,589,072
Revenue	3 & 4	**17,474,585**	30,640,463
Cost of sales		**(9,206,026)**	(18,274,156)
Other attributable costs		**(581,844)**	(691,164)
		7,686,715	11,675,143
Other revenue		**289,794**	242,088
Other net losses	5	**(118,517)**	(437,627)
Administrative and other operating expenses		**(4,545,042)**	(4,836,326)
Profit from operations before finance costs		**3,312,950**	6,643,278
Finance costs	3(b) & 6(a)	**(944,680)**	(834,254)
Profit from operations		**2,368,270**	5,809,024
Valuation surplus on investment properties		**1,230,079**	1,191,889
Share of profits of associates and joint ventures	6(c)	**948,818**	900,145
Profit for the year before taxation	3 & 6	**4,547,167**	7,901,058
Taxation	7	**(257,114)**	(1,664,309)
Profit for the year		**4,290,053**	6,236,749
Attributable to:			
Equity shareholders of the Company		**3,368,708**	4,898,859
Non-controlling interests		**921,345**	1,337,890
Profit for the year		**4,290,053**	6,236,749
Earnings per share		**HK$**	HK$
Basic	9	**10.36**	15.07
Diluted	9	**10.36**	15.07

Details of dividends paid to equity shareholders of the Company attributable to the profit for the year are set out in note 8.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2019	2018
	HK$'000	HK$'000
Profit for the year	**4,290,053**	6,236,749
Other comprehensive income for the year (after tax and reclassification adjustments)		
Items that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income ("FVOCI") - net movement in fair value reserve (non-recycling)	**(3,986,806)**	-
Actuarial (losses)/gains on defined benefit obligation	**(49,215)**	45,960
	(4,036,021)	45,960
Items that may be reclassified subsequently to profit or loss:		
Exchange translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	**(1,228,720)**	1,044,655
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries	**45,757**	(71,470)
Changes in fair value of cash flow hedge	**21,500**	15,168
Changes in fair value of available-for-sale financial assets	**-**	(884,875)
Changes in fair value on net investment hedge	**39,043**	(85,681)
Transfer to profit or loss on disposal of available-for-sale financial assets	**-**	(7,808)
Transfer upon disposal of ESOS shares	**20,228**	-
Share of other comprehensive income of associates	**42,048**	(88,859)
	(1,060,144)	(78,870)
Other comprehensive income for the year, net of tax	**(5,096,165)**	(32,910)
Total comprehensive income for the year	**(806,112)**	6,203,839
Total comprehensive income for the year attributable to:		
Equity shareholders of the Company	**(1,315,804)**	4,611,314
Non-controlling interests	**509,692**	1,592,525
	(806,112)	6,203,839

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**2019 HK$'000**	2018 HK$'000
NON-CURRENT ASSETS			
Investment properties		**29,657,377**	28,005,763
Other property, plant and equipment		**13,992,717**	13,298,946
Interest in associates and joint ventures		**11,998,213**	10,659,985
Available-for-sale financial assets		**-**	14,088,449
Equity investments at FVOCI		**10,672,265**	-
Deferred tax assets		**204,003**	157,685
Intangible assets		**7,618,927**	7,704,349
Goodwill		**2,452,249**	1,432,917
Pensions surplus		**55,429**	89,315
		76,651,180	75,437,409
CURRENT ASSETS			
Development properties		**15,392,862**	13,269,277
Properties held for sale		**3,501,675**	5,858,076
Inventories		**453,318**	-
Contract assets		**202,692**	-
Trade and other receivables	10	**1,963,432**	4,213,141
Trading financial assets		**12,779,985**	13,016,360
Cash and short term funds		**13,972,848**	19,859,972
Assets held for sale		**-**	248,381
		48,266,812	56,465,207
CURRENT LIABILITIES			
Contract liabilities		**122,210**	-
Trade and other payables	11	**4,406,227**	5,474,585
Bank loans and other borrowings		**5,579,284**	11,622,317
Taxation		**342,460**	376,224
Provisions and other liabilities		**188,023**	85,148
		10,638,204	17,558,274
NET CURRENT ASSETS		**37,628,608**	38,906,933
TOTAL ASSETS LESS CURRENT LIABILITIES		**114,279,788**	114,344,342
NON-CURRENT LIABILITIES			
Bank loans and other borrowings		**29,791,001**	26,035,208
Amount due to non-controlling interests		**2,379,527**	2,290,571
Provisions and other liabilities		**374,382**	408,185
Deferred tax liabilities		**656,814**	966,570
		33,201,724	29,700,534
NET ASSETS		**81,078,064**	84,643,808
CAPITAL AND RESERVES			
Share capital		**1,284,446**	1,291,036
Reserves		**60,845,206**	64,187,361
Total equity attributable to equity shareholders of the Company		**62,129,652**	65,478,397
Non-controlling interests		**18,948,412**	19,165,411
TOTAL EQUITY		**81,078,064**	84,643,808

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"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies 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 new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 June 2019 comprise the Company and its subsidiaries and the Group's interests in associates and joint ventures.

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.

(c) Hong Kong dollar amounts

The consolidated financial statements of the Group are expressed in United States dollars (“USD”), which is the functional currency of the Company. The Hong Kong dollar (“HKD”) figures presented in the sections entitled “FINANCIAL HIGHLIGHTS” and “RESULTS” are the HKD equivalents of the corresponding USD figures in the consolidated financial statements, which are translated at the rates prevailing at the respective financial year ends for presentation purposes only (2019: US$1 = HK$7.80695, 2018: US$1 = HK$7.84700).

2. CHANGES IN ACCOUNTING POLICIES

(a) Overview

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 9, *Financial instruments*
- HKFRS 15, *Revenue from contracts with customers*
- HK(IFRIC) 22, *Foreign currency transactions and advance consideration*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period, except for the amendments to HKFRS 9, *Prepayment features with negative compensation* which have been adopted at the same time as HKFRS 9.

The Group has been impacted by HKFRS 9 in relation to classification of financial assets and measurement of credit losses, and impacted by HKFRS 15 in relation to timing of revenue recognition, capitalisation of contract costs, significant financing benefit obtained from customers and presentation of contract assets and contract liabilities. Details of the changes in accounting policies are discussed in note 2(b) for HKFRS 9 and note 2(c) for HKFRS 15.

Under the transition methods chosen, the Group recognises the cumulative effect of the initial application of HKFRS 9 and HKFRS 15 as an adjustment to the opening balance of equity at 1 July 2018. Comparative information is not restated. The following table gives a summary of the opening balance adjustments recognised for each line item in the consolidated statement of financial position that has been impacted by HKFRS 9 and/or HKFRS 15:

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

(a) Overview (cont'd)

	At 30 June 2018	Impact on initial application of HKFRS 9	Impact on initial application of HKFRS 15	At 1 July 2018
	HK$'000	HK$'000	HK$'000	HK$'000
		(Note 2(b))	(Note 2(c))	
Intangible assets	7,704,349	2,417	-	7,706,766
Interest in associates and joint ventures	10,659,985	(115,814)	22,850	10,567,021
Deferred tax assets	157,685	-	83,602	241,287
Available-for-sale financial assets	14,088,449	(14,088,449)	-	-
Equity investments at FVOCI	-	14,086,032	-	14,086,032
Total non-current assets	**75,437,409**	**(115,814)**	**106,452**	**75,428,047**
Development properties	13,269,277	-	(54,372)	13,214,905
Properties held for sale	5,858,076	-	(474,861)	5,383,215
Contract assets	-	-	1,136,112	1,136,112
Trade and other receivables	4,213,141	-	(1,129,183)	3,083,958
Total current assets	**56,465,207**	**-**	**(522,304)**	**55,942,903**
Trade and other payables	5,474,585	-	(152,232)	5,322,353
Contract liabilities	-	-	193,539	193,539
Taxation	376,224	-	(13,340)	362,884
Total current liabilities	**17,558,274**	**-**	**27,967**	**17,586,241**
Deferred tax liabilities	966,570	-	(3,327)	963,243
Total non-current liabilities	**29,700,534**	**-**	**(3,327)**	**29,697,207**
Net assets	**84,643,808**	**(115,814)**	**(440,492)**	**84,087,502**
Retained profits	64,652,885	34,762	(311,385)	64,376,262
Fair value reserve	2,674,940	(153,731)	-	2,521,209
Capital and other reserves	(559,562)	3,155	-	(556,407)
Exchange reserve	(2,688,186)	-	78,321	(2,609,865)
Total equity attributable to equity shareholders of the company	**65,478,397**	**(115,814)**	**(233,064)**	**65,129,519**
Non-controlling interests	19,165,411	-	(207,428)	18,957,983
Total equity	**84,643,808**	**(115,814)**	**(440,492)**	**84,087,502**

Further details of these changes are set out in sub-sections (b) and (c) of this note.

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

(b) HKFRS 9, *Financial instruments*, including the amendments to HKFRS 9, *Prepayment features with negative compensation*

HKFRS 9 replaces HKAS 39, *Financial instruments: recognition and measurement*. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied HKFRS 9 retrospectively to items that existed at 1 July 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 July 2018. Therefore, comparative information continues to be reported under HKAS 39.

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

(i) Classification of financial assets and financial liabilities

HKFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at FVOCI and at fair value through profit or loss ("FVPL"). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method;
- FVOCI - recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss; or
- FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI (non-recycling), are recognised in profit or loss as other income.

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

(b) HKFRS 9, *Financial instruments*, including the amendments to HKFRS 9, *Prepayment features with negative compensation* (cont'd)

Under HKFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated from the host. Instead, the hybrid instrument as a whole is assessed for classification.

Under HKAS 39, equity securities not held for trading were classified as available-for-sale financial assets. These equity securities are classified as at FVPL under HKFRS 9, unless they are eligible for and designated at FVOCI by the Group. At 1 July 2018, the Group designated its equity investments not held for trading at FVOCI (non-recycling), as the investment is held for strategic purposes.

Trading financial assets classified under HKAS 39 continue to be measured at FVPL under HKFRS 9.

The carrying amounts for all financial liabilities at 1 July 2018 have not been impacted by the initial application of HKFRS 9.

The Group did not designate or de-designate any financial asset or financial liability at FVPL at 1 July 2018.

(ii) Credit losses

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with the expected credit losses ("ECL") model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in HKAS 39.

The adoption of HKFRS 9 has not had a significant impact on the Group's financial statements in this regard.

(iii) Transition

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below:

- Information relating to comparative periods has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of HKFRS 9 are recognised in retained earnings and reserves as at 1 July 2018. Accordingly, the information presented for 2018 continues to be reported under HKAS 39 and thus may not be comparable with the current period.

- The following assessments have been made on the basis of the facts and circumstances that existed at 1 July 2018 (the date of initial application of HKFRS 9 by the Group):

  - the determination of the business model within which a financial asset is held; and

  - the designation of certain investments in equity instruments not held for trading to be classified as at FVOCI (non-recycling).

- If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

(b) HKFRS 9, *Financial instruments*, including the amendments to HKFRS 9, *Prepayment features with negative compensation* (cont'd)

- All hedging relationships designated under HKAS 39 at 30 June 2018 met the criteria for hedge accounting under HKFRS 9 at 1 July 2018 and are therefore regarded as continuing hedging relationships. Changes to hedge accounting policies have been applied prospectively.

(c) HKFRS 15, *Revenue from contracts with customers*

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, *Revenue*, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, Construction contracts, which specified the accounting for construction contracts.

The Group has elected to use the cumulative effect transition method and has recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 July 2018. Therefore, comparative information has not been restated and continues to be reported under HKAS 11 and HKAS 18. As allowed by HKFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 July 2018.

Further details of the nature and effect of the changes on previous accounting policies are set out below:

(i) Timing of revenue recognition

Previously, revenue arising from construction contracts and provision of services was recognised over time, whereas revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods had passed to the customers.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. HKFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

A. When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

B. When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;

C. When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

(c) HKFRS 15, *Revenue from contracts with customers* (cont'd)

The adoption of HKFRS 15 does not have a significant impact on when the Group recognises revenue from construction contracts. However, the timing of revenue recognition for sales of properties is affected as follows.

Sales of properties: the Group's property development activities are mainly carried out in Singapore, Malaysia and China. Taking into account the contract terms, the Group's business practice and the legal and regulatory environment of China, the property sales contracts do not meet the criteria for recognising revenue over time and therefore revenue from property sales continues to be recognised at a point in time. Previously the Group recognised revenue from property sales upon the later of the signing of the sale and purchase agreement and the completion of the property development, which was taken to be the point in time when the risks and rewards of ownership of the property were transferred to the customer. Under the transfer-of-control approach in HKFRS 15, revenue from property sales is generally recognised when the legal assignment is completed, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property.

(ii) Sales commissions payable related to property sales contracts

The Group previously recognised sales commissions payable related to property sales contracts as distribution costs when they were incurred. Under HKFRS 15, the Group is required to capitalise these sales commissions as costs of obtaining contracts when they are incremental and are expected to be recovered, unless the expected amortisation period is one year or less from the date of initial recognition of the asset, in which case the sales commissions can be expensed when incurred. Capitalised commissions are charged to profit or loss when the revenue from the related property sale is recognised and are included as distribution costs at that time.

(iii) Presentation of contract assets and liabilities

Under HKFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

(d) HK(IFRIC) 22, *Foreign currency transactions and advance consideration*

This interpretation provides guidance on determining "the date of the transaction" for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency.

The Interpretation clarifies that "the date of the transaction" is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way. The adoption of HK(IFRIC) 22 does not have any material impact on the financial position and the financial result of the Group.

3. SEGMENT REPORTING

In a manner consistent with the way in which information is reported internally to the Group's senior executive management, the Group has four 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, associates and joint ventures
Hospitality and leisure:	This segment owns, leases or manages hotels and operates gaming and leisure businesses in the United Kingdom, Spain and Belgium.	Subsidiaries
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

Other segments include royalty entitlement of Bass Strait's oil and gas production and manufacture, marketing and distribution of health products. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2019 or 2018.

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 2017/18.

3. SEGMENT REPORTING (cont'd)

Information regarding the Group's reportable segments 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 HK$'000	Financial services HK$'000	Others HK$'000	Total HK$'000
Segment revenue and profit or loss						
For the year ended 30 June 2019						
Turnover	**3,764,776**	**5,789,494**	**9,890,500**	**-**	**280,910**	**19,725,680**
Revenue from external customers	**1,513,681**	**5,789,494**	**9,890,500**	**-**	**280,910**	**17,474,585**
Inter-segment revenue	**9,446**	**52,119**	**-**	**-**	**-**	**61,565**
Reportable segment revenue	**1,523,127**	**5,841,613**	**9,890,500**	**-**	**280,910**	**17,536,150**
Operating profit	**913,367**	**1,299,607**	**782,701**	**-**	**162,010**	**3,157,685**
Finance costs	**(203,371)**	**(555,691)**	**(202,707)**	**-**	**(25,708)**	**(987,477)**
Valuation surplus on investment properties	**-**	**1,230,079**	**-**	**-**	**-**	**1,230,079**
Write back of provision for impairment loss on interest in an associate	**-**	**-**	**-**	**198,062**	**-**	**198,062**
Share of profits of associates and joint ventures	**-**	**27,801**	**-**	**921,017**	**-**	**948,818**
Profit before taxation	**709,996**	**2,001,796**	**579,994**	**1,119,079**	**136,302**	**4,547,167**
Segment assets and liabilities						
At 30 June 2019						
Reportable segment assets	**30,850,435**	**56,183,762**	**23,184,690**	**-**	**2,700,892**	**112,919,779**
Interest in associates and joint ventures	**-**	**2,849,178**	**-**	**9,149,035**	**-**	**11,998,213**
Total assets	**30,850,435**	**59,032,940**	**23,184,690**	**9,149,035**	**2,700,892**	**124,917,992**
Reportable segment liabilities	**7,021,712**	**28,723,908**	**7,304,846**	**-**	**789,462**	**43,839,928**

3. 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 HK$'000	Financial services HK$'000	Others HK$'000	Total HK$'000
Segment revenue and profit or loss						
For the year ended 30 June 2018						
Turnover	6,144,586	19,294,682	10,149,804	-	-	35,589,072
Revenue from external customers	1,195,977	19,294,682	10,149,804	-	-	30,640,463
Inter-segment revenue	1,507	2,048	-	-	-	3,555
Reportable segment revenue	1,197,484	19,296,730	10,149,804	-	-	30,644,018
Operating profit	327,243	5,089,078	1,072,622	-	154,335	6,643,278
Finance costs	(154,986)	(483,791)	(195,477)	-	-	(834,254)
Valuation surplus on investment properties	-	1,191,889	-	-	-	1,191,889
Share of (losses) / profits of associates and joint ventures	-	(33,985)	-	934,130	-	900,145
Profit before taxation	172,257	5,763,191	877,145	934,130	154,335	7,901,058
Segment assets and liabilities						
At 30 June 2018						
Reportable segment assets	35,117,765	61,045,736	24,530,656	-	548,474	121,242,631
Interest in associates and joint ventures	-	2,080,412	-	8,579,573	-	10,659,985
Total assets	35,117,765	63,126,148	24,530,656	8,579,573	548,474	131,902,616
Reportable segment liabilities	7,460,935	31,738,329	8,059,544	-	-	47,258,808

3. SEGMENT REPORTING (cont'd)

(b) Reconciliations of reportable segment revenue and finance costs

Revenue

	2019	2018
	HK$'000	HK$'000
Reportable segment revenue	**17,536,150**	30,644,018
Elimination of inter-segment revenue	**(61,565)**	(3,555)
Consolidated revenue (note 4)	**17,474,585**	30,640,463

Finance costs

	2019	2018
	HK$'000	HK$'000
Reportable finance costs	**987,477**	834,254
Elimination of inter-segment finance costs	**(42,797)**	-
Consolidated finance costs (note 6(a))	**944,680**	834,254

(c) Geographical information

The following table illustrates the geographical location of the Group's revenue from external customers and non-current assets other than financial instruments, deferred tax assets and pensions surplus ("specified non-current assets"). The geographical information is classified by reference to the location of the income generating entities.

	Revenue from external customers		**Specified non-current assets**	
	2019	2018	**2019**	2018
	HK$'000	HK$'000	**HK$'000**	HK$'000
The People's Republic of China				
- Hong Kong	**1,549,172**	1,225,442	**2,569,368**	1,387,310
- Mainland China	**758,430**	9,281,926	**1,189,959**	1,181,484
United Kingdom and Continental Europe	**9,569,697**	9,799,592	**17,425,581**	18,482,549
Singapore	**4,582,203**	9,714,343	**30,602,167**	28,133,653
Australasia and others	**1,015,083**	619,160	**13,932,408**	11,916,964
	17,474,585	30,640,463	**65,719,483**	61,101,960

4. TURNOVER AND REVENUE

The Company is an investment holding and investment management company. 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, hospitality and leisure businesses.

The amount of each significant category of turnover and revenue is as follows:

	2019	2018
	HK$'000	HK$'000
Revenue from sale of properties	**4,833,056**	18,347,769
Revenue from hospitality and leisure	**9,877,252**	10,139,870
Interest income	**428,484**	347,630
Dividend income	**1,296,047**	1,054,338
Rental income from properties	**697,410**	684,164
Revenue from sales of goods	**280,902**	-
Others	**61,434**	66,692
Revenue	**17,474,585**	30,640,463
Proceeds from sale of investments in securities	**2,251,095**	4,948,609
Turnover	**19,725,680**	35,589,072

5. OTHER NET LOSSES

	2019	2018
	HK$'000	HK$'000
Net realised and unrealised losses on trading financial assets	**(370,565)**	(988,408)
Net realised and unrealised (losses)/gains on derivative financial instruments	**(19,221)**	53,493
Net realised gains on disposal of available-for-sale financial assets	**-**	7,839
Net (losses)/gains on foreign exchange contracts	**(8,127)**	244,928
Other exchange gains/(losses)	**115,349**	(12,383)
Net losses on disposal of property, plant and equipment	**(1,108)**	(3,319)
Net losses on liquidation of subsidiaries	**(182,113)**	(9,118)
Net gain on disposal of subsidiaries	**134,342**	2,770
Write back of provision for impairment loss on interest in an associate (Note)	**198,062**	-
Gain on disposal of assets held for sale	**-**	220,407
Other income	**14,864**	46,164
	(118,517)	(437,627)

Note: At the end of the reporting period, the recoverable amount of interest in an associate is assessed to be higher than its impaired carrying amount, write back of provision for impairment loss on interest in an associate has been recognised accordingly.

6. PROFIT FOR THE YEAR BEFORE TAXATION

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

(a) Finance costs

	2019	2018
	HK$'000	HK$'000
Interest on bank loans and other borrowings	**1,307,765**	1,192,799
Other borrowing costs	**106,128**	69,524
Total borrowing costs	**1,413,893**	1,262,323
Less: borrowing costs capitalised into:		
- development properties	**(230,508)**	(294,090)
- investment properties	**(238,705)**	(133,979)
Total borrowing costs capitalised (note)	**(469,213)**	(428,069)
	944,680	834,254

Note: These borrowing costs have been capitalised at rates of 2.70% to 7.25% per annum (2018: 1.82% to 7.25%).

(b) Staff cost

	2019	2018
	HK$'000	HK$'000
Salaries, wages and other benefits	**3,137,551**	3,392,352
Contributions to defined contribution retirement plans	**99,679**	94,423
Expenses recognised in respect of defined benefit retirement plans	**2,561**	3,892
Equity-settled share-based payment expenses/ (forfeiture)	**29,971**	(14,258)
	3,269,762	3,476,409

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

(c) Other items

	2019	2018
	HK$'000	HK$'000
Depreciation	**612,424**	615,260
Impairment losses recognised		
- other property, plant and equipment	**92,263**	120,993
- intangible assets	**91,818**	61,379
Amortisation		
- customer relationship, licences and brand names	**24,896**	-
- casino licences and brand names	**12,140**	12,783
- Bass Strait oil and gas royalty	**23,991**	26,099
- other intangible assets	**125,848**	88,232
Cost of inventories recognised in cost of sales	**188,952**	-
Operating lease charges		
- properties	**510,333**	532,615
- others	**12,077**	10,146
Auditors' remuneration		
- audit services	**19,424**	17,530
- tax services	**195**	455
- other services	**812**	910
Donations	**13,053**	8,953
Gross rental income from investment properties	**(697,410)**	(684,164)
Less: direct outgoings	**162,213**	179,508
Net rental income	**(535,197)**	(504,656)
Share of (profits)/losses of associates and joint ventures:		
- associates	**(926,677)**	(952,124)
- joint ventures	**(22,141)**	51,979
	(948,818)	(900,145)

7. TAX EXPENSES

Taxation in the consolidated income statement represents:

	2019 **HK$'000**	2018 HK$'000
Current tax - Hong Kong Profits Tax		
Provision for the year	**4,083**	3,916
(Over)/under-provision in respect of prior years	**(62)**	7,635
	4,021	11,551
Current tax - Overseas		
Provision for the year	**711,885**	838,530
Over-provision in respect of prior years	**(111,109)**	(471)
	600,776	838,059
Deferred tax		
Origination and reversal of temporary differences	**(351,117)**	815,688
Effect of changes in tax rate on deferred tax balances	**3,434**	(989)
	(347,683)	814,699
	257,114	1,664,309

The provision for Hong Kong Profits Tax is calculated at 16.5% (2018: 16.5%) of the estimated assessable profits for the year ended 30 June 2019. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

8. DIVIDENDS

	2019 **HK$'000**	2018 HK$'000
Dividends payable/paid in respect of the current year:		
- Interim dividend of HK$1.00 (2018: HK$1.00) per ordinary share	**323,137**	324,999
- Proposed final dividend of HK$3.00 (2018: HK$3.00) per ordinary share	**987,158**	989,169
	1,310,295	1,314,168
Dividends paid in respect of the prior year:		
- Final dividend of HK$3.00 (2018: HK$3.00) per ordinary share	**972,676**	979,251

The final dividend for the year ended 30 June 2019 of HK$987,158,000 (2018: HK$989,169,000) was calculated based on 329,051,373 ordinary shares (2018: 329,051,373 ordinary shares) in issue as at 30 June 2019.

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

9. 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$3,368,708,000 (2018: HK$4,898,859,000) and the weighted average number of 325,142,319 ordinary shares (2018: 325,024,511 ordinary shares) in issue during the year.

(b) Diluted earnings per share

The diluted earnings per share equalled the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 30 June 2019 and 2018.

10. TRADE AND OTHER RECEIVABLES

	2019	2018
	HK$'000	HK$'000
Trade debtors	**665,644**	1,558,171
Accrued receivables for sales consideration not yet billed on completed development properties	**-**	1,129,191
Other receivables, deposits and prepayments	**1,093,192**	1,267,660
Derivative financial instruments, at fair value	**174,282**	174,180
Interest receivables	**30,314**	83,939
	1,963,432	4,213,141

Included in the Group's trade and other receivables is HK$55.4 million (2018: HK$51.0 million) which is expected to be recovered after one year.

As of the end of the 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:

	2019	2018
	HK$'000	HK$'000
Within 1 month	**526,946**	1,461,268
1 to 3 months	**82,683**	81,350
More than 3 months	**56,015**	15,553
	665,644	1,558,171

11. TRADE AND OTHER PAYABLES

	2019 HK$'000	2018 HK$'000
Trade creditors	**545,745**	792,884
Other payables and accrued operating expenses	**3,466,582**	4,348,031
Derivative financial instruments, at fair value	**332,420**	181,956
Amounts due to fellow subsidiaries	**61,035**	151,447
Amounts due to associates and joint ventures	**445**	267
	4,406,227	5,474,585

Included in trade and other payables is HK$675.3 million (2018: HK$779.2 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:

	2019 HK$'000	2018 HK$'000
Within 1 month	**489,161**	761,834
1 to 3 months	**32,133**	16,698
More than 3 months	**24,451**	14,352
	545,745	792,884

The amounts due to fellow subsidiaries and associates are unsecured, interest free and have no fixed repayment terms.

DIVIDEND

The Directors will recommend to the shareholders for approval at the forthcoming annual general meeting a final dividend for the financial year ended 30 June 2019 of HK$3.00 per share, totalling HK$987.2 million. Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 18 November 2019, the final dividend will be payable on 5 December 2019 to the shareholders whose names appear on the Register of Members of the Company on 25 November 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The consolidated profit attributable to equity shareholders for the year ended 30 June 2019, after taxation and non-controlling interests, amounted to HK$3,369 million, compared to HK$4,899 million for the previous year. Basic earnings per share amounted to HK$10.36.

For the year ended 30 June 2019, profit before taxation was generated from the following sources:

- property development and investment of HK$2,002 million;
- financial services of HK$1,119 million;
- principal investment of HK$710 million;
- hospitality and leisure of HK$580 million; and
- other segments of HK$136 million.

Revenue decreased by HK$13.1 billion to HK$17.5 billion for the year. The decrease was primarily due to lower contribution from property development and investment sector of HK$13.5 billion.

Review of Operations

Principal Investment

During the year, the Group recorded an operating profit from Principal Investment of HK$913 million compared to HK$327 million of last year.

Trade negotiations and interest rate policies had outsized impacts on asset prices in the year under review as progress and reversals in direction and tone created volatility with consequent swings in the equity prices. This provided fertile ground for the Principal Investment team to take advantage of rising asset prices to lock in gains and opportunities to pick up undervalued assets in times of unwarranted pessimism. As a result of the position taken to retain a large weightage of our investment funds into higher dividend paying stocks with good fundamentals, dividend income constituted a significant part of the operating profit for the year. This asset allocation strategy has provided a strong and sustainable income base for the Group.

Despite volatile market conditions in FY2018/19, we recorded higher profits in the risk management of the foreign exchange and interest rate exposures for Principal Investment.

Property Development and Investment

GuocoLand Limited ("GuocoLand")

GuocoLand ended the financial year with revenue of S$927.0 million and profit attributable to equity holders of S$255.7 million, a decrease of 19% and 38% respectively as compared to the previous financial year.

The lower revenue in the current financial year was mainly due to lower sales of completed residential units in Singapore as GuocoLand has brought down its inventory of completed unsold units substantially in the previous year. In the previous financial year, GuocoLand's revenue included contributions from well-performing projects such as Leedon Residence and Sims Urban Oasis, which received its Temporary Occupation Permit in October 2017. Correspondingly, gross profit was reduced by 16% to S$295.9 million for the year. However, gross profit margin was maintained at approximately 32%.

Other income increased by 46% to S$238.8 million as a result of higher fair value gain from Singapore's investment properties as compared to the previous financial year. Other expenses increased by 47% to S$37.4 million mainly due to higher fair value loss on derivative financial instruments in the current financial year. The increase in other expenses was partially offset by the loss on disposal of a subsidiary recorded in the previous financial year. Finance costs fell by 12% to S$107.7 million mainly because of lower loans during the year. Meanwhile, share of profit of associates and joint ventures fell by 94% to S$12.8 million as substantial recognition of profit from its joint venture residential project in Shanghai was recorded in the previous financial year. Consequently, tax expense reduced by 65% to S$21.4 million as withholding tax was provided for the substantial profit recognised from the joint venture in the previous financial year.

After two consecutive quarters of decline, private residential property prices rose by 1.5% in the second quarter of 2019 according to statistics released by the Urban Redevelopment Authority in Singapore. Prices for non-landed residential properties in the Core Central Region, Rest of Central Region and Outside Central Region had increased by 2.3%, 3.5% and 0.4% respectively. For the same period, rentals of office space increased by 1.3% and the island-wide vacancy rate of office space declined to 11.5%.

According to official data from the National Bureau of Statistics of China, new home prices in Chongqing increased by 0.7% month-on-month and 12.1% year-on-year in June 2019.

The overall momentum and prospects of the Malaysia property market in the short term is expected to remain soft and challenging.

Moving forward, GuocoLand will launch its projects according to prevailing market sentiments.

Hospitality and Leisure

GL Limited ("GL")

GL recorded a profit after tax for the year ended 30 June 2019 at US$50.3 million, a decrease of 15% compared to US$58.9 million in the previous financial year.

Revenue increased by 1% year-on-year to US$349.3 million due mainly to higher revenue generated from oil and gas business. Oil and gas segment continued to generate higher royalty income compared to previous financial year. This was due to higher average crude oil and gas prices during the year. Hotel revenue was higher in GBP terms compared to previous financial year as a result of improved hotel occupancy rate and RevPAR during the year. However, the increase was fully offset by the weakening of GBP against USD by 4.2% compared to prior year.

Lower cost of sales in previous financial year was mainly due to reversal of over accrued rental expense of Euston Hotel as a result of the compulsory acquisition in last year. In addition, increased business and utilities rates, and web marketing cost for promoting GL's direct web strategy have lifted up the cost of sales during the year.

The decrease in other operating income for the financial year was mainly due to one-off compensation from the compulsory acquisition of one hotel property and recovery of legacy loan which was written off in the previous financial year.

Lower administrative expenses were mainly due to the weakening of GBP against USD. The increase in other operating expenses was relating to the impairment loss of hotel properties, loss on disposal of property and write off of obsolete hotel furniture and equipment as well as the provision for legal claims as a result of final judgment on arbitration award in Hawaii during the year. Lower income tax expense was mainly due to a set off against tax benefit in the hotel segment.

The gaming segment including the casino license was disposed on 16 April 2019 for a cash consideration of US$30.9 million with a loss on disposal of US$0.3 million (net of transaction-related cost). In addition, there is a realization of a gain of US$17.5 million on foreign currency translation reserve from this disposal.

The Cumberland Hotel was re-launched as the Hard Rock Hotel London on 30 April 2019 after completion of refurbishment. Hotel occupancy levels in London remained healthy in spite of continued macro and geopolitical uncertainties in the UK. The UK tourism industry has received a boost from the weakening pound which helped to uplift GL's hotel occupancy and average room rate. Barring unforeseen circumstances, this boost to the tourism sector is expected to continue in the coming months. However, increases in room inventory supply will continue to exert downward pressures on average room rates. Increase in the UK's National Living Wage and imported inflation will affect profit margins. GL maintains a cautious outlook and will leverage on the healthy city-wide occupancies to yield its average room rates.

The Rank Group Plc ("Rank")

Rank recorded a profit after tax (before exceptional items) for the year ended 30 June 2019 of GBP57.7 million, a decrease of 1% as compared to previous year. Revenue increased by 1% to GBP746.5 million, reflecting the acquisition of YoBingo and the growth in the digital business offset by revenue decline in the venue businesses.

Operating profit was down by 6% to GBP72.5 million, driven by a GBP8.6 million increase in the overall cost base, with employment savings of GBP7.9 million principally offset by increased tax costs of GBP7.0 million and other inflationary cost increases.

The net financing charge before exceptional items was flat in the year as surplus cash was used to fund the contingent consideration payment relating to the prior year acquisition of YoBingo and transformation programme costs.

On 31 May 2019, Rank announced that it had reached an agreement with the directors of Stride Gaming plc ("Stride", listed on AIM market of the London Stock Exchange) on the terms of a recommended cash offer for the entire issued share capital of Stride. On 24 July 2019, Stride's shareholders voted in support of Rank's offer. Rank expects the acquisition of Stride to be completed in the second quarter of FY2019/20 once all the necessary conditions outlined in relation to the cash offer are met or, if applicable, waived. Rank believes that the acquisition of Stride will accelerate the transformation of Rank and create one of the UK's leading online gaming businesses.

Financial Services

Hong Leong Financial Group Berhad ("HLFG")

HLFG achieved a profit before tax of RM3,505.6 million for the year ended 30 June 2019, a decrease of RM73.0 million or 2.0% as compared to last year. Excluding one-off exceptional items, HLFG's current year profit before tax was lower than last year by RM38.8 million or 1.1%. The decrease was due to lower profits from all divisions.

The commercial banking division recorded a profit before tax of RM3,186.0 million for the year ended 30 June 2019 as compared to RM3,246.3 million in the previous financial year, a decrease of RM60.3 million or 1.9%. The decrease was mainly due to a drop in revenue of RM113.7 million, increase in operating expenses of RM31.1 million and decrease in writeback of impairment losses on financial investments of RM6.2 million. This was however mitigated by decrease in allowance for impairment losses on loans, advances and financing of RM64.3 million and increase in share of profit from associated companies of RM26.4 million.

Contributions from Bank of Chengdu and the Sichuan Jincheng Consumer Finance joint venture of RM563.1 million represent 17.7% of the commercial banking division's profit before tax as compared to 16.5% last year.

The insurance division recorded a profit before tax of RM329.2 million for the year ended 30 June 2019 as compared to RM348.0 million in the previous financial year, a decrease of RM18.8 million or 5.4%. The decrease was mainly due to the decrease in revenue of RM7.3 million, increase in operating expenses of RM44.4 million and decrease in share of profit from associated company of RM6.5 million. This was however mitigated by decrease in allowance for impairment losses on financial investments of RM6.8 million and increase in life fund surplus of RM32.6 million.

The investment banking division recorded a profit before tax of RM76.7 million for the year ended 30 June 2019 as compared to RM78.6 million in the previous financial year, a decrease of RM1.9 million or 2.4%. This was mainly due to lower contribution from the investment banking and stockbroking divisions.

Islamic financial services showed the Islamic banking and takaful businesses combined share of HLFG's profit before tax (excluding one-off) improved to 13.3% from 11.5% last year.

GROUP FINANCIAL COMMENTARY

Capital Management

The Group's consolidated total equity attributable to equity shareholders of the Company as at 30 June 2019 amounted to HK$62.1 billion, a decrease of 5% or HK$3.4 billion as compared to the previous year.

The equity-debt ratio as at 30 June 2019 is arrived at as follows:

		HK$'M
Total borrowings		35,370
Less:	Cash and short term funds	(13,973)
	Trading financial assets	(12,780)
Net debt		8,617
Total equity attributable to equity shareholders of the Company		62,130
Equity-debt ratio		88 :12

The Group's total cash balance and trading financial assets were mainly in USD (32%), HKD (22%), JPY (12%), GBP (11%), SGD (9%) and RMB (6%).

Total Borrowings

There was a decrease in total borrowings from HK$37.7 billion as at 30 June 2018 to HK$35.4 billion as at 30 June 2019. The Group's total borrowings are mostly denominated in SGD (64%), USD (12%), MYR (7%) and GBP (6%).

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	4,552	-	1,027	5,579
After 1 year but within 2 years	7,504	-	736	8,240
After 2 years but within 5 years	17,927	561	3,041	21,529
After 5 years	-	-	22	22
	25,431	561	3,799	29,791
	29,983	561	4,826	35,370

Bank loans, mortgage debenture stock and other borrowings are secured by certain properties, fixed assets, trading financial assets and bank deposits with an aggregate book value of HK$42.4 billion. In addition, a subsidiary has granted security over certain assets in favour of a bank as security trustee on behalf of a secured bank loan of HK$0.5 billion.

Committed borrowing facilities available to Group companies and not yet drawn as at 30 June 2019 amounted to approximately HK$15.8 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 contracts to manage its interest rate exposure as appropriate.

As at 30 June 2019, approximately 83% of the Group's borrowings were at floating rates and the remaining 17% were at fixed rates. The Group had outstanding interest rate contracts with a notional amount of HK$12.4 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 2019, there were outstanding foreign exchange contracts with a total notional amount of HK$30.5 billion for hedging of foreign currency equity investments.

Equity Price Exposure

The Group maintains an investment portfolio which comprises majority listed equities. Equity investments are subject to asset allocation limits.

PRIVATISATION PROPOSAL AND SPECIAL DIVIDEND IN SPECIE

On 29 June 2018, GuoLine Overseas Limited, being the majority shareholder of the Company, requested the Board to put forward to its shareholders a privatisation proposal for the Company by way of a scheme of arrangement under the Companies Act of Bermuda. The privatisation proposal was not approved at the court meeting held on 1 November 2018. The proposal lapsed forthwith.

HUMAN RESOURCES AND TRAINING

The Group employed around 12,000 employees as at 30 June 2019. 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 uncertainties posed by the escalating US-China trade tensions, a disorderly Brexit and slowing economic growth continue to impart negative sentiment to global markets. The Group's strong fundamentals and prudent financial discipline continue to provide us advantage in responding to challenges and opportunities in turbulent times. Our operating businesses would continue to remain vigilant, progressive and competitive to pursue sustainable growth and business value.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its other subsidiaries, purchased, sold or redeemed any of the Company's listed securities during the year ended 30 June 2019.

CODE ON CORPORATE GOVERNANCE PRACTICES

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 Company has complied throughout the year with applicable provisions of 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 AND RISK MANAGEMENT COMMITTEE ("BARMC")

The BARMC reviewed the applicable accounting principles and practices adopted by the Company and discussed the auditing, risk management and internal controls and financial reporting matters including a review of the preliminary annual results announcement of the Company for the year ended 30 June 2019 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)	13 November 2019 (Wednesday) to 18 November 2019 (Monday)
Latest time to lodge transfers	4:30 p.m. on 12 November 2019 (Tuesday)
Annual General Meeting	18 November 2019 (Monday)

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

Closure date of Register of Members	25 November 2019 (Monday)
Latest time to lodge transfers	4:30 p.m. on 22 November 2019 (Friday)
Record date	25 November 2019 (Monday)
Proposed final dividend payment date	5 December 2019 (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 aforesaid relevant latest time.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 28 August 2019

As at the date of this announcement, the Board comprises Mr. Kwek Leng Hai as Executive Chairman; Mr. Tang Hong Cheong as President & CEO; Mr. Kwek Leng San as Non-executive Director, Mr. Volker Stoeckel, Mr. Roderic N. A. Sage and Mr. David Michael Norman as Independent Non-executive Directors.