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國浩集團有限公司
Guoco Group Limited

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

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

FINANCIAL HIGHLIGHTS

	Six months ended 31 December		
	2023	2022 (Restated)	*Increase/*
	HK$'M	HK$'M	*(Decrease)*
Turnover	**13,294**	9,431	*41%*
Revenue	**12,390**	9,153	*35%*
Profit from operations	**997**	480	*108%*
Profit attributable to equity shareholders of the Company	**1,449**	1,284	*13%*
	HK$	HK$	
Earnings per share	**4.46**	3.95	*13%*
Interim dividend per share	**0.50**	0.50	-
	As at 31 December 2023	As at 30 June 2023 (Restated)	
	HK$	HK$	
Equity per share attributable to equity shareholders of the Company	**182.91**	180.80	*1%*

RESULTS

The unaudited consolidated results of Guoco Group Limited (the "Company") and its subsidiaries (together the "Group") for the six months ended 31 December 2023 together with comparative figures for the corresponding period in the previous year are as follows:

CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2023 – Unaudited

	Note	**2023** **HK$'000**	2022 (Restated) HK$'000
Turnover	3 & 4	**13,293,909**	9,431,154
Revenue	3 & 4	**12,390,405**	9,152,893
Cost of sales		**(7,463,044)**	(5,274,021)
Other attributable costs		**(477,037)**	(315,011)
		4,450,324	3,563,861
Other revenue		**164,509**	352,440
Other net losses	5	**(410,710)**	(73,415)
Administrative and other operating expenses		**(2,112,591)**	(2,726,138)
Profit from operations before finance costs		**2,091,532**	1,116,748
Finance costs	6(a)	**(1,094,876)**	(637,134)
Profit from operations		**996,656**	479,614
Share of profits of associates and joint ventures		**796,112**	607,690
Profit for the period before taxation	3 & 6	**1,792,768**	1,087,304
Tax expenses	7	**(189,771)**	(40,291)
Profit for the period		**1,602,997**	1,047,013
Attributable to:			
Equity shareholders of the Company		**1,448,885**	1,283,915
Non-controlling interests		**154,112**	(236,902)
Profit for the period		**1,602,997**	1,047,013
Earnings per share		**HK$**	HK$
Basic	9	**4.46**	3.95
Diluted	9	**4.46**	3.95

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 December 2023 – Unaudited

	2023	2022 (Restated)
	HK$'000	HK$'000
Profit for the period	**1,602,997**	1,047,013
Other comprehensive income for the period (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)	**(539,334)**	(794,375)
Actuarial gains on defined benefit obligation	**-**	2,105
	(539,334)	(792,270)
Items that may be reclassified subsequently to profit or loss:		
Exchange translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	**1,180,373**	516,481
Changes in fair value of cash flow hedge	**(9,913)**	2,542
Changes in fair value on net investment hedge	**3,070**	96,824
Share of other comprehensive income of associates	**63,843**	113,800
	1,237,373	729,647
Other comprehensive income for the period, net of tax	**698,039**	(62,623)
Total comprehensive income for the period	**2,301,036**	984,390
Total comprehensive income for the period attributable to:		
Equity shareholders of the Company	**1,747,485**	987,673
Non-controlling interests	**553,551**	(3,283)
	2,301,036	984,390

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2023

	Note	**At 31 December 2023 (Unaudited) HK$'000**	At 30 June 2023 (Audited) (Restated) HK$'000
NON-CURRENT ASSETS			
Investment properties		**38,099,746**	36,974,636
Other property, plant and equipment		**11,986,608**	11,885,081
Right-of-use assets		**5,646,429**	5,643,942
Interests in associates and joint ventures		**16,060,380**	14,560,134
Equity investments at FVOCI		**5,097,370**	5,750,786
Deferred tax assets		**995,827**	1,009,426
Intangible assets		**6,787,220**	6,783,429
Goodwill		**2,425,205**	2,389,486
Pensions surplus		**65,288**	66,058
		87,164,073	85,062,978
CURRENT ASSETS			
Development properties		**18,102,215**	20,070,080
Properties held for sale		**1,585,006**	1,666,059
Inventories		**391,651**	383,737
Deposits for land		**-**	1,011,769
Contract assets		**4,766,258**	223,984
Trade and other receivables	10	**1,888,848**	1,725,401
Tax recoverable		**60,765**	157,605
Trading financial assets		**9,108,534**	9,663,034
Cash and short term funds		**14,190,647**	12,812,620
Assets held for sale		**20,864**	-
		50,114,788	47,714,289
CURRENT LIABILITIES			
Contract liabilities		**1,214,649**	1,702,990
Trade and other payables	11	**5,594,318**	5,022,680
Bank loans and other borrowings		**16,860,734**	7,987,580
Taxation		**142,614**	281,414
Provisions and other liabilities		**137,482**	131,872
Lease liabilities		**492,137**	487,579
Liabilities held for sale		**10,319**	-
		24,452,253	15,614,115
NET CURRENT ASSETS		**25,662,535**	32,100,174
TOTAL ASSETS LESS CURRENT LIABILITIES		**112,826,608**	117,163,152
NON-CURRENT LIABILITIES			
Bank loans and other borrowings		**23,349,307**	28,909,081
Amount due to non-controlling interests		**2,627,819**	2,494,066
Provisions and other liabilities		**446,362**	422,063
Deferred tax liabilities		**260,707**	209,315
Lease liabilities		**7,590,159**	7,640,868
		34,274,354	39,675,393
NET ASSETS		**78,552,254**	77,487,759
CAPITAL AND RESERVES			
Share capital		**1,285,187**	1,289,226
Reserves		**58,900,911**	58,202,383
Total equity attributable to equity shareholders of the Company		**60,186,098**	59,491,609
Non-controlling interests		**18,366,156**	17,996,150
TOTAL EQUITY		**78,552,254**	77,487,759

Notes:

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022/23 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023/24 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022/23 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim financial report is unaudited. The financial information relating to the financial year ended 30 June 2023 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 30 June 2023 can be obtained on request at the Group Company Secretariat, 50/F., The Center, 99 Queen's Road Central, Hong Kong, or from the Company's website http://www.guoco.com. The auditors expressed an unqualified opinion on those financial statements in their report dated 20 September 2023.

The condensed 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" above are the HKD equivalents of the corresponding USD figures in the condensed consolidated financial statements, which are translated at the rates prevailing at the respective financial period/year ends for presentation purposes only (31 December 2023: US$1 = HK$7.8115, 30 June 2023: US$1 = HK$7.8360, 31 December 2022: US$1 = HK$7.7977).

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKAS 1 and HKFRS Practice Statement 2 - Disclosure of accounting policies
- Amendments to HKAS 8 - Definition of accounting estimates
- Amendments to HKAS 12 - Deferred tax related to assets and liabilities arising from a single transaction
- Amendments to HKAS 12 - International tax reform - pillar two model rules

The amendments clarify the application of HKAS 12 to income taxes arising from tax law enacted or substantively enacted to implement the Organisation for Economic Co-operation and Development ("OECD")/G20 Inclusive Framework on Base Erosion and Profit Shifting Pillar Two model rules ("Pillar Two income taxes").

The amendments provide a mandatory temporary exception from recognising and disclosing deferred tax assets and liabilities arising from implementation of the OECD's Pillar Two Model Rules. The amendments also introduce targeted disclosure requirements for affected companies and require entities to disclose:

- the fact that they have applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes;
- their current tax expense (if any) related to the Pillar Two income taxes; and
- during the period between the legislation being enacted or substantially enacted and the legislation becoming effective, entities will be required to disclose known or reasonably estimable information. If this information is not known or reasonably estimable, entities are instead required to disclose a statement to that effect and information about their progress in assessing the exposure.

The amendments are required to be applied immediately (subject to any local endorsement processes) and retrospectively in accordance with HKAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors". In adopting these amendments the Group has applied the mandatory temporary exception from recognising and disclosing information about deferred tax assets and liabilities arising from implementation of the OECD's Pillar Two Model Rules. The disclosures in respect of the current tax expense related to the Pillar Two income taxes and the known or reasonably estimable exposure to Pillar Two income taxes are required for annual reporting periods beginning on or after 1 January 2023, but they are not required to be disclosed in interim financial reports for any interim period ending on or before 31 December 2023.

None of the amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2. CHANGES IN ACCOUNTING POLICIES (Cont'd)

In addition, Hong Leong Financial Group Berhad, an associate of the Company, has adopted HKFRS 17 "Insurance Contracts" during the period. HKFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. The standard has brought significant changes to the accounting for insurance and reinsurance contracts. The adoption of this standard has material effects on its profit attributable to equity shareholders, various assets and liabilities and opening shareholders' equity. The Group's share of such effects has impact on the Group as follows:

Line items in the consolidated statement of financial position impacted:

	At 30 June 2023 (Originally stated) HK$'000	Increase / (decrease) HK$'000	At 30 June 2023 (Restated) HK$'000	At 30 June 2022 (Originally stated) HK$'000	Increase / (decrease) HK$'000	At 30 June 2022 (Restated) HK$'000
ASSETS						
Interests in associates and joint ventures	14,406,768	153,366	14,560,134	14,061,428	130,824	14,192,252
NET ASSETS	77,334,393	153,366	77,487,759	75,328,335	130,824	75,459,159
CAPITAL AND RESERVES						
Retained profits	69,750,422	161,563	69,911,985	67,398,778	130,824	67,529,602
Exchange translation reserve	(5,224,488)	(8,197)	(5,232,685)	(4,704,818)	-	(4,704,818)
Total equity attributable to equity shareholders of the Company	59,338,243	153,366	59,491,609	57,717,594	130,824	57,848,418
TOTAL EQUITY	77,334,393	153,366	77,487,759	75,328,335	130,824	75,459,159

2. CHANGES IN ACCOUNTING POLICIES (Cont'd)

Line items in the consolidated income statement and consolidated statement of comprehensive income impacted:

	Six month ended 31 December 2022 (Originally stated) HK$'000	Increase / (decrease) HK$'000	Six month ended 31 December 2022 (Restated) HK$'000
Share of profits of associates and joint ventures	595,292	12,398	607,690
Profit for the period	1,034,615	12,398	1,047,013
Profit for the period attributable to:			
Equity shareholders of the Company	1,271,517	12,398	1,283,915
Exchange translation differences relating to financial statements of foreign subsidiaries, assoicates and joint ventures	515,615	866	516,481
Total comprehensive income for the period	971,126	13,264	984,390
Total comprehensive income for the period attributable to:			
Equity shareholders of the Company	974,409	13,264	987,673
Earnings per share	HK$	HK$	HK$
Basic	3.91	0.04	3.95
Diluted	3.91	0.04	3.95

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 debt, 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 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 and Spain.	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 from the Group's Bass Strait's oil and gas production investment and the manufacture, marketing and distribution of health products through Manuka Health New Zealand Limited. None of these segments met any of the quantitative thresholds for determining reportable segments in the six months ended 31 December 2023 or 2022.

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 2022/23.

3. SEGMENT REPORTING (cont'd)

Information regarding the Group's reportable segments for the period is set out below.

(a) Reportable segment revenue and profit or loss (unaudited)

	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
For the six months ended 31 December 2023						
Turnover	**1,704,810**	**6,099,625**	**5,216,564**	**-**	**272,910**	**13,293,909**
Disaggregated by timing of revenue						
- Point in time	**801,306**	**1,599,863**	**5,216,564**	**-**	**272,910**	**7,890,643**
- Over time	**-**	**4,499,762**	**-**	**-**	**-**	**4,499,762**
Revenue from external customers	**801,306**	**6,099,625**	**5,216,564**	**-**	**272,910**	**12,390,405**
Inter-segment revenue	**41,768**	**7,374**	**-**	**-**	**-**	**49,142**
Reportable segment revenue	**843,074**	**6,106,999**	**5,216,564**	**-**	**272,910**	**12,439,547**
Reportable segment operating profit	**361,670**	**994,265**	**632,017**	**-**	**145,035**	**2,132,987**
Finance costs	**(146,223)**	**(669,762)**	**(292,273)**	**-**	**(28,073)**	**(1,136,331)**
Share of profits of associates and joint ventures	**5,577**	**119,375**	**-**	**671,160**	**-**	**796,112**
Profit before taxation	**221,024**	**443,878**	**339,744**	**671,160**	**116,962**	**1,792,768**
For the six months ended 31 December 2022						
Turnover	1,027,175	3,611,645	4,482,243	-	310,091	9,431,154
Disaggregated by timing of revenue						
- Point in time	748,915	1,142,440	4,482,243	-	310,091	6,683,689
- Over time	-	2,469,204	-	-	-	2,469,204
Revenue from external customers	748,915	3,611,644	4,482,243	-	310,091	9,152,893
Inter-segment revenue	26,886	7,346	-	-	-	34,232
Reportable segment revenue	775,801	3,618,990	4,482,243	-	310,091	9,187,125
Reportable segment operating profit/(loss)	348,518	925,977	(397,207)	-	266,050	1,143,338
Finance costs	(62,241)	(327,769)	(252,404)	-	(21,310)	(663,724)
Share of profits/(losses) of associates and joint ventures (restated)	1,700	(40,634)	-	646,624	-	607,690
Profit/(loss) before taxation	287,977	557,574	(649,611)	646,624	244,740	1,087,304

3. SEGMENT REPORTING (cont'd)

(b) Reconciliations of reportable segment revenue and finance costs (unaudited)

Revenue

	Six months ended 31 December	
	2023	2022
	HK$'000	HK$'000
Reportable segment revenue	**12,439,547**	9,187,125
Elimination of inter-segment revenue	**(49,142)**	(34,232)
Consolidated revenue (Note 4)	**12,390,405**	9,152,893

Finance costs

	Six months ended 31 December	
	2023	2022
	HK$'000	HK$'000
Reportable finance costs	**1,136,331**	663,724
Elimination of inter-segment finance costs	**(41,455)**	(26,590)
Consolidated finance costs (Note 6(a))	**1,094,876**	637,134

4. TURNOVER AND REVENUE

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

	Six months ended 31 December	
	2023	2022
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Revenue from sale of properties	**5,338,970**	3,091,726
Revenue from hospitality and leisure	**5,210,307**	4,478,024
Interest income	**297,655**	151,681
Dividend income	**605,989**	669,027
Rental income from properties	**619,448**	417,075
Revenue from sales of goods	**272,870**	310,083
Others	**45,166**	35,277
Revenue	**12,390,405**	9,152,893
Proceeds from sale of investments in securities	**903,504**	278,261
Turnover	**13,293,909**	9,431,154

5. OTHER NET LOSSES

	Six months ended 31 December	
	2023	2022
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Net realised and unrealised losses on trading financial assets	**(388,518)**	(347,161)
Net realised and unrealised (losses)/gains on derivative financial instruments	**(25,254)**	109,293
Net (losses)/gains on foreign exchange contracts	**(48,931)**	27,526
Other exchange gains	**47,244**	96,730
Net (losses)/gains on disposal of property, plant and equipment	**(3,484)**	382
Net losses on disposal of intangible assets	**(4,601)**	-
Provision made	**(15,795)**	-
Other net income	**28,629**	39,815
	(410,710)	(73,415)

6. PROFIT FOR THE PERIOD BEFORE TAXATION

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

(a) Finance costs

	Six months ended 31 December	
	2023	2022
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest on bank loans and other borrowings	**993,531**	712,070
Interest on lease liabilities	**194,458**	172,072
Other borrowing costs	**16,395**	13,248
Total borrowing costs	**1,204,384**	897,390
Less: borrowing costs capitalised into:		
- development properties	**(70,998)**	(111,772)
- investment properties	**(38,510)**	(148,484)
Total borrowing costs capitalised (Note)	**(109,508)**	(260,256)
	1,094,876	637,134

Note:

These borrowing costs have been capitalised at rates of 4.40% to 5.52% per annum (2022: 1.90% to 5.08%).

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

(b) Staff cost

	Six months ended 31 December	
	2023	2022
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Salaries, wages and other benefits	**1,504,282**	1,299,970
Contributions to defined contribution retirement plans	**99,026**	86,406
Equity-settled share-based payment expenses	**4,663**	2,261
	1,607,971	1,388,637

(c) Other items

	Six months ended 31 December	
	2023	2022
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Depreciation		
- other property, plant and equipment	**227,993**	244,871
- right-of-use assets	**131,498**	160,110
Impairment losses recognised (note)		
- other property, plant and equipment	**-**	216,488
- intangible assets	**-**	192,666
- right-of-use assets	**-**	465,468
Amortisation		
- customer relationship, licences and brand names	**7,358**	12,203
- casino licences and brand names	**305**	1,965
- Bass Strait oil and gas royalty	**22,052**	22,512
- other intangible assets	**100,776**	99,452
Gross rental income from investment properties	**(619,448)**	(417,075)
Less: direct outgoings	**149,371**	87,475
Net rental income	**(470,077)**	(329,600)

Note:

During the six months ended 31 December 2022, the Group has factored the continuing risk of COVID-19 into the impairment testing of right-of-use assets, other property, plant and equipment and intangible assets of individual casino venues and clubs. Testing was carried out by allocating the carrying value of these assets to the individual venues and clubs. The recoverable amounts of individual venues and clubs have been calculated with reference to their value-in-use. Value-in-use calculations are based upon estimates of future cash flows derived from the Group's strategic plan for the following five years period ending 30 June 2027 and are most sensitive to revenue growth, the pre-tax discount rate of 13% and growth rates of 0% to 2% used to extrapolate cash flow beyond the forecast period.

As a result of the impairment assessment, the Group recognised impairment charges on right-of-use assets of HK$465.5 million, other property, plant and equipment of HK$216.5 million and intangible assets of HK$192.7 million due to lower than anticipated performance post pandemic, a lower level of forecast earnings and a decision to close a number of clubs and venues in the period.

7. TAX EXPENSES

Taxation in the consolidated income statement represents:

	Six months ended 31 December	
	2023	2022
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current tax - Hong Kong Profits Tax	**(8)**	335
Current tax - Overseas	**122,460**	188,689
Deferred tax	**67,319**	(148,733)
	189,771	40,291

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2022: 16.5%) to the profits for the six months ended 31 December 2023. Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant countries.

8. DIVIDENDS

	Six months ended 31 December	
	2023	2022
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Dividends payable/paid in respect of the current year:		
- Interim dividend declared of HK$0.50 (2022: HK$0.50) per ordinary share	**164,525**	164,524
Dividends paid in respect of the prior year:		
- Final dividend of HK$2.50 (2022: HK$1.50) per ordinary share	**822,632**	493,579

The interim dividend declared for the year ending 30 June 2024 of HK$164,525,000 (2023: HK$164,524,000) is calculated based on 329,051,373 ordinary shares (2022: 329,051,373 ordinary shares) in issue as at 31 December 2023.

The interim dividend declared after the interim period has not been recognised as a liability at the end of the interim 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 profits attributable to equity shareholders of the Company of HK$1,448,885,000 (2022: HK$1,283,915,000) (restated) and the weighted average number of 325,224,511 ordinary shares (2022: 325,224,511 ordinary shares) in issue during the period.

(b) Diluted earnings per share

For the six months ended 31 December 2023 and 2022 the diluted earnings per share equaled the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the periods.

10. TRADE AND OTHER RECEIVABLES

	At 31 December 2023 (Unaudited) HK$'000	At 30 June 2023 (Audited) HK$'000
Trade debtors	**852,917**	742,712
Other receivables, deposits and prepayments	**931,070**	813,784
Derivative financial instruments, at fair value	**11,108**	106,805
Interest receivables	**93,753**	62,100
	1,888,848	1,725,401

Included in the Group's trade and other receivables is HK$57.0 million (30 June 2023: HK$76.0 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:

	At 31 December 2023 (Unaudited) HK$'000	At 30 June 2023 (Audited) HK$'000
Within 1 month	**673,886**	642,952
1 to 3 months	**123,046**	46,107
More than 3 months	**55,985**	53,653
	852,917	742,712

11. TRADE AND OTHER PAYABLES

	At 31 December 2023 (Unaudited) HK$'000	At 30 June 2023 (Audited) HK$'000
Trade creditors	**1,093,767**	998,369
Other payables and accrued operating expenses	**4,347,970**	3,915,461
Derivative financial instruments, at fair value	**110,509**	41,507
Amounts due to fellow subsidiaries	**39,916**	67,343
Amounts due to associates and joint ventures	**2,156**	-
	5,594,318	5,022,680

Included in trade and other payables is HK$1,362.3 million (30 June 2023: HK$1,235.0 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:

	At 31 December 2023 (Unaudited) HK$'000	At 30 June 2023 (Audited) HK$'000
Within 1 month	**396,314**	475,277
1 to 3 months	**541,013**	416,186
More than 3 months	**156,440**	106,906
	1,093,767	998,369

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

INTERIM DIVIDEND

The board of directors of the Company (the "Board") has declared an interim dividend of HK$0.50 per share amounting to approximately HK$165 million for the financial year ending 30 June 2024 (2022/2023 interim dividend: HK$0.50 per share amounting to approximately HK$165 million), which will be payable on Tuesday, 26 March 2024 to the shareholders whose names appear on the Register of Members on Tuesday, 12 March 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The Group recorded an unaudited consolidated profit attributable to shareholders of HK$1,448.9 million for the six months ended 31 December 2023, representing an increase of 13% versus the corresponding period in 2022 (restated). This is mainly attributable to the positive performances of Hospitality and Leisure segment and Financial Services segment. Basic earnings per share amounted to HK$4.46 as compared to HK$3.95 (restated) in the prior period.

For the six months ended 31 December 2023, the Principal Investment segment, Property Development and Investment segment, Hospitality and Leisure segment, Financial Services segment and Others segment reported profits before taxation of HK$221.0 million, HK$443.9 million, HK$339.7 million, HK$671.2 million and HK$117.0 million respectively. Overall, the unaudited consolidated profit before taxation of the Group increased by 65% to HK$1,792.8 million for the six months ended 31 December 2023.

Revenue for the six months ended 31 December 2023 increased by 41% to HK$13,293.9 million, primarily due to an increase of HK$2,488.0 million in revenue from the Property Development and Investment segment attributable to the higher progressive recognition of sales from residential projects in Singapore. In addition, an increase of HK$734.3 million in revenue from the Hospitality and Leisure segment has arisen from the industry recovery in the current period.

Review of Operations

Principal Investment

During the six-month period ended 31 December 2023, the global equity markets with the exception of China and Hong Kong have been generally positive and culminated a strong finish despite the fluctuations experienced throughout the period. The third calendar quarter first saw a decline in global equities due to concerns over rising US inflation, reflected in the Consumer Price Index, and expectations of prolonged higher interest rates by the Federal Reserve. This concern was further heightened by the increase in the US 10-year yield. However, as the fourth quarter of 2023 began, concern largely subsided as US inflation moderated and signs of a cooling labour market emerged. The December 2023 Federal Open Market Committee meeting signaled a more dovish stance by the Federal Reserve, with expectations of rate cuts in 2024.

Amid the volatile market conditions, our Principal Investment segment recorded a pre-tax profit of HK$221.0 million for the six months ended 31 December 2023. Our investment strategy that focused on prioritizing the fundamental aspects of companies' businesses proved beneficial in mitigating the impact of short-term fluctuations.

The six months ended 31 December 2023 saw high volatility in the financial markets due to uncertainty around the inflation and direction of interest rates. Against this backdrop, our Treasury team continued to focus on hedging and managing foreign exchange exposures while managing the overall liquidity position of the Group to minimize the negative impact from the turbulent financial markets.

Property Development and Investment

GuocoLand Limited ("GuocoLand")

For the six months ended 31 December 2023, GuocoLand's revenue increased by 61% to S$1,066.4 million (approximately HK$6,199.3 million) as compared to the previous corresponding period. This was mainly due to the strong growth in both the property development and property investment businesses.

Revenue from GuocoLand's property development increased by 67% to S$918.0 million (approximately HK$5,336.6 million) driven by higher progressive recognition of sales from its substantially sold high-end Singapore residential developments Meyer Mansion, Midtown Modern and Lentor Modern. In addition, property development revenue from China recorded a threefold increase as compared to the corresponding period in 2022 mainly contributed by sales of the Guoco 18T development in Chongqing.

Revenue from GuocoLand's investment properties increased by 46% to S$109.4 million (approximately HK$636.0 million) supported by the higher recurring rental income from the progressive commencement of leases at Guoco Midtown. The revenue from Guoco Changfeng City's South Tower offices and basement retail in Shanghai also increased by 66% to S$9.3 million (approximately HK$54.1 million) and contributed to stable recurring income growth in China.

Other income decreased by 55% to S$21.3 million (approximately HK$123.8 million) mainly due to the absence of fair value gains on interest rate hedges and foreign exchange gains recorded in the previous corresponding period.

Finance cost increased by 87% to S$113.5 million (approximately HK$659.8 million). This was mainly due to the interest expense of Guoco Midtown which was capitalised prior to its completion, but has been recognised in the profit and loss account in the current financial period. The higher interest rate environment also resulted in the increase in finance cost.

For the six months ended 31 December 2023, GuocoLand's share of results of associates and joint ventures recorded a profit of S$20.5 million (approximately HK$119.2 million) as compared to a share of loss in the previous corresponding period. This was mainly due to the profit contribution from the progressive completion of The Avenir, a joint venture residential project in Singapore that was fully sold.

Overall, GuocoLand's operating profit increased by 42% to S$93.1 million (approximately HK$541.2 million) whilst the profit attributable to equity holders increased by 12% to S$66.2 million (approximately HK$384.8 million).

In Singapore, statistics from the Urban Redevelopment Authority indicate that overall prices of non-landed private properties increased by 6.6% in 2023, moderating from the 8.1% increase in 2022. Knight Frank, a property consultant, estimates the number of new private homes sold by developers in 2023 was 9.1% lower than 2022. This is attributed to factors such as downbeat macroeconomic conditions, high interest rates, property cooling measures and more new housing options expected in 2024. For the year of 2024, analysts expect growth of residential property prices to rise moderately between 3% and 6%. For the office market, while vacancy rates remain manageable, it is expected to face near term challenges such as economic uncertainty, fewer visible demand drivers and an above historical average completion pipeline in 2024. Nevertheless, CBRE, a property consultant, expects Grade A office rents to grow by 2% to 3% for 2024.

According to the official data, new home prices in China for December 2023 logged their steepest drop since February 2015, while property sales measured by floor area fell 23% in December from a year earlier. The data from the National Bureau of Statistics of China showed that 62 out of the 70 cities have reported month-on-month fall, in new home prices for December, up from 59 in November. Due to the persistent weak sentiment and concerns in the property sector, official measures have been introduced to support the real estate sector, including easing of restrictions on property sales and financial institutions to increase financing and liquidity in the sector.

Advance estimates indicate that Malaysia's economic growth of 3.4% in the fourth quarter of 2023 and 3.8% for the full year were slower than expected, as weak global demand and low commodity prices drove a decline in exports. Knight Frank notes the cautiously optimistic outlook for Malaysia's residential property market is marked by increased sales volume, new property launches and successful completions. The office market in the Klang Valley area is expected to remain stable with modest recovery, underpinned by sustained demand from sectors such as technology, finance, and professional services, and driven by the flight-to-quality trend and growing awareness of ESG factors.

With its twin engines of property development and property investment performing strongly, GuocoLand will constantly review its portfolio, and continue to invest prudently in promising areas, leveraging its capability to drive results.

Hospitality and Leisure

Clermont Hotel Group ("CHG")

Clermont Hotel Group, our key hotel operating business unit in the United Kingdom ("UK"), recorded a profit after tax of GBP21.1 million (approximately HK$207.1 million) for the six months ended 31 December 2023, compared to GBP22.8 million (approximately HK$209.3 million) for the corresponding period in 2022. The profit for the previous corresponding period included an exceptional income from a Covid-related business interruption insurance claim of GBP7.2 million (approximately HK$66.1 million), net of tax. In May 2023, the end of the licensing agreement with Hard Rock International allowed the hotel to be relaunched as The Cumberland. The adjacent property was also relaunched as the Thistle Park Lane Hotel (previously Great Cumberland Place) in November 2023. The early indications are positive, especially in regards to room rate.

Operationally, the positive momentum generated by the strong finish of the previous financial year has carried forward into the current period. Domestic and international demand continues to drive higher volumes and room rates. Revenue of GBP149.1 million (approximately HK$1,463.2 million) for the first six months of the year is ahead of the corresponding period in 2022 by 12% and driving above-expectation profit growth. The business is also benefitting from scale efficiencies at higher level of occupancy and this, together with the higher rates, is generating increased profit after tax.

The macroeconomic environment continues to be uncertain, despite the gradual easing in inflation and signs of improvement in the availability of labour. While it is expected that interest rates will remain high for at least the next six months, the business is benefitting from energy prices that have reduced significantly from the highs seen in 2022. From a commercial perspective, demand continues to be strong, supporting both rooms sold and average room rate growth. Accreditation as a Great Place to Work is also helping to drive employee engagement and retention. Overall, CHG is well positioned to drive future growth.

The Rank Group Plc ("Rank")

Rank's net gaming revenue increased by 9% to GBP362.6 million (approximately HK$3,558.4 million) for the six months ended 31 December 2023 due to the growth across all of the business units. Operating profit increased to GBP21.7 million (approximately HK$213.0 million), mainly contributed by the continued improvement in revenues and the significantly reduced energy costs offsetting the impact of higher employment costs. Rank recorded a profit after tax of GBP8.8 million (approximately HK$86.4 million) for the six months ended 31 December 2023, mainly due to the absence of the impairment charges of GBP95.4 million (approximately HK$874.6 million) relating to the downturn in performance expectations for Grosvenor and Mecca venues recorded in the prior period.

Over the first half of the financial year, the number of customer visits to Grosvenor venues increased by 8% and the spend per customer visit increased by 2%. The slow growth in spend per customer visit reflects the decline in high-net-worth tourists visiting the UK. This is partly driven by the absence of tax-free shopping post-Brexit and the lack of credit facilities available in other jurisdictions. For Mecca venues, customer volume increased slightly by 2% and the spend per customer visit increased by 7%. In Spain, customer visits to Enracha venues increased by 9% in the first half but were still behind pre-pandemic levels. Notwithstanding this, the revenues of Enracha venues were 21% above pre-pandemic levels.

The digital business continued to perform well with strong growth in Grosvenor and Mecca, supported by the continued healthy growth levels seen in cross-channel customer revenues. In Spain, the Yo and Enracha brands recorded an increase of 15% in net gaming revenue.

Rank has continued to position itself for the UK Government's planned reforms in gambling legislation which are expected to be implemented during 2024. The strong financial position enables Rank to continue investment in both the digital and venues businesses and positions Rank to take full advantage of any future improvement in the macro-economic climate and the planned and much needed reforms in the UK Government's gambling legislation review.

Financial Services

Hong Leong Financial Group Berhad ("HLFG")

HLFG will publish its results for the interim period ended 31 December 2023 at a later date. The consolidated results of HLFG based on their unaudited management accounts have been incorporated in the Group's interim results.

Others

For the six months ended 31 December 2023, Manuka Health New Zealand Limited ("MHNZ"), the Company's wholly owned Manuka honey product producer and distributor, continued to face challenges and its results were down as compared to the previous corresponding period driven by the timing of key retailers' orders. MHNZ will remain steadfast in optimising its business model by strong market positioning and brand development.

The Bass Strait oil and gas business also saw a decrease in its results for the six months ended 31 December 2023 due to a decrease in average crude oil price.

GROUP FINANCIAL COMMENTARY

Capital Management

The consolidated total equity attributable to shareholders of the Company as at 31 December 2023 amounted to HK$60.2 billion. Net debt, being total bank loans and other borrowings less cash and short term funds as well as trading financial assets, amounted to HK$16.9 billion. The equity-debt ratio was 78:22 as at 31 December 2023.

Liquidity and Financial Resources

The Group's total cash and short term funds as well as trading financial assets were mostly denominated in HKD (30%), USD (30%), SGD (12%), RMB (12%), GBP (6%), and EUR (5%) as at 31 December 2023.

The Group's total bank loans and other borrowings amounted to HK$40.2 billion as at 31 December 2023, and were mostly denominated in SGD (73%), RMB (7%), HKD (7%), USD (5%), GBP (4%) and RM (2%). The Group has borrowings of HK$16.9 billion payable within 1 year or on demand.

Certain of the Group's bank loans and other borrowings are secured by pledges of various properties, fixed assets, trading financial assets and bank deposits with an aggregate book value of HK$51.1 billion as at 31 December 2023.

Committed borrowing facilities available to the Group and not yet drawn as at 31 December 2023 amounted to approximately HK$12.2 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 when considered appropriate.

As at 31 December 2023, approximately 88% of the Group's bank loans and other borrowings carried interest at floating rates and the remaining 12% carried interest at fixed rates.

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 exposure and investments.

As at 31 December 2023, there were outstanding foreign exchange contracts with a total notional amount of HK$3.2 billion entered into by the Group to primarily hedge foreign currency equity investments.

Equity Price Exposure

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

GROUP OUTLOOK

Going into the second half of the fiscal year, there is a potential for financial markets to benefit from more accommodative financial conditions as we move past the expectations of peak interest rates in the US. However, with the global economic situation constantly evolving, the timing and extent of rate cuts remain debatable. The Federal Reserve is seeking more confidence that inflation is receding before making any significant move. In 2024, US monetary policy is expected to loosen, and GDP growth across major economies is projected to be slower compared to 2023. Corporate earnings growth is expected to remain healthy, especially in the US, although there are continued risks over the near term.

Given the uncertainties in near-term, the Group will remain vigilant in managing its Principal Investment portfolio by focusing on the key fundamentals of each investment made. Simultaneously, the Group will continue to pursue a long-term sustainable growth strategy for its other core businesses while navigating the near-term uncertainties it may face.

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

Neither the Company, nor any of its subsidiaries, purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2023.

CORPORATE GOVERNANCE CODE

The Board has adopted a Corporate Governance Code which is based on the principles set out in Appendix C1 (the "HKEX Code") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. During the period, the Company has complied with all applicable code provisions of the HKEX Code.

REVIEW BY BOARD AUDIT AND RISK MANAGEMENT COMMITTEE

The unaudited interim results for the six months ended 31 December 2023 have been reviewed by the Board Audit and Risk Management Committee of the Company. The information in these interim results does not constitute the statutory accounts.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed on Tuesday, 12 March 2024, on which date no share transfers will be registered.

To qualify for the interim dividend, all share transfers, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 11 March 2024.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 26 February 2024

As at the date of this announcement, the Board comprises Mr. KWEK Leng Hai as Executive Chairman; Mr. CHEW Seong Aun as Executive Director; Mr. KWEK Leng San as Non-executive Director; Mr. David M. NORMAN, Mr. Lester G. HUANG, SBS, JP and Mr. Paul J. BROUGH as Independent Non-executive Directors.