

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2024

	Six months ended 31 December		Increase/ (Decrease)
	2024 HK\$'M	2023 HK\$'M	
Turnover	13,193	13,294	(1%)
Revenue	12,582	12,390	2%
Profit from operations	2,095	997	110%
Profit attributable to equity shareholders of the Company	1,789	1,449	23%
	HK\$	HK\$	
Earnings per share	5.50	4.46	23%
Interim dividend per share	0.60	0.50	20%
	As at 31 December 2024 HK\$	As at 30 June 2024 HK\$	
Equity per share attributable to equity shareholders of the Company	189.29	186.46	2%

RESULTS

The unaudited consolidated results of Guoco Group Limited (the “Company”) and its subsidiaries (together the “Group”) for the six months ended 31 December 2024 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 2024 – Unaudited

	Note	2024 HK\$'000	2023 HK\$'000
Turnover	3 & 4	<u>13,193,378</u>	<u>13,293,909</u>
Revenue	3 & 4	12,581,625	12,390,405
Cost of sales		(7,470,125)	(7,463,044)
Other attributable costs		<u>(507,510)</u>	<u>(477,037)</u>
		4,603,990	4,450,324
Other revenue		167,700	164,509
Other net gains/(losses)	5	609,090	(410,710)
Administrative and other operating expenses		<u>(2,200,847)</u>	<u>(2,112,591)</u>
Profit from operations before finance costs		3,179,933	2,091,532
Finance costs	6(a)	<u>(1,084,666)</u>	<u>(1,094,876)</u>
Profit from operations		2,095,267	996,656
Valuation deficit on investment properties		(300,484)	-
Share of profits of associates		760,508	671,215
Share of (losses)/profits of joint ventures		<u>(1,592)</u>	<u>124,897</u>
Profit for the period before taxation	3 & 6	2,553,699	1,792,768
Tax expenses	7	<u>(420,279)</u>	<u>(189,771)</u>
Profit for the period		<u>2,133,420</u>	<u>1,602,997</u>
Attributable to:			
Equity shareholders of the Company		1,788,912	1,448,885
Non-controlling interests		<u>344,508</u>	<u>154,112</u>
Profit for the period		<u>2,133,420</u>	<u>1,602,997</u>
Earnings per share		HK\$	HK\$
Basic	9	<u>5.50</u>	<u>4.46</u>
Diluted	9	<u>5.50</u>	<u>4.46</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2024 – Unaudited

	2024 HK\$'000	2023 HK\$'000
Profit for the period	2,133,420	1,602,997
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)	<u>(11,872)</u>	<u>(539,334)</u>
	<u>(11,872)</u>	<u>(539,334)</u>
Items that may be reclassified subsequently to profit or loss:		
Exchange translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	566,317	1,180,373
Changes in fair value of cash flow hedge	(8,300)	(9,913)
Changes in fair value on net investment hedge	8,914	3,070
Share of other comprehensive income of associates	<u>(178,415)</u>	<u>63,843</u>
	<u>388,516</u>	<u>1,237,373</u>
Other comprehensive income for the period, net of tax	376,644	698,039
Total comprehensive income for the period	2,510,064	2,301,036
Total comprehensive income for the period attributable to:		
Equity shareholders of the Company	2,198,741	1,747,485
Non-controlling interests	<u>311,323</u>	<u>553,551</u>
	<u>2,510,064</u>	<u>2,301,036</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

		At 31 December 2024 (Unaudited) HK\$'000	At 30 June 2024 (Audited) HK\$'000
	Note		
NON-CURRENT ASSETS			
Investment properties		38,150,225	38,672,655
Other property, plant and equipment		11,948,715	11,953,892
Right-of-use assets		5,515,467	5,697,764
Interests in associates		14,128,225	13,104,941
Interests in joint ventures		3,511,700	4,023,497
Equity investments at FVOCI		4,884,473	4,888,605
Deferred tax assets		676,926	855,691
Intangible assets		6,460,718	6,639,155
Goodwill		2,321,340	2,383,457
Pensions surplus		71,905	72,957
		87,669,694	88,292,614
CURRENT ASSETS			
Development properties		11,316,620	14,271,350
Properties held for sale		1,450,455	1,623,205
Inventories		383,003	429,887
Contract assets		5,573,388	4,090,231
Trade and other receivables	10	1,975,365	2,143,510
Tax recoverable		71,571	99,171
Trading financial assets		9,811,520	9,626,026
Cash and short term funds		14,520,638	14,908,645
Assets held for sale		-	3,342
		45,102,560	47,195,367
CURRENT LIABILITIES			
Contract liabilities		1,332,167	1,613,014
Trade and other payables	11	5,153,040	5,681,358
Bank loans and other borrowings		8,253,072	14,060,724
Taxation		108,723	89,816
Provisions and other liabilities		117,954	138,925
Lease liabilities		390,899	396,341
		15,355,855	21,980,178
NET CURRENT ASSETS		29,746,705	25,215,189
TOTAL ASSETS LESS CURRENT LIABILITIES		117,416,399	113,507,803
NON-CURRENT LIABILITIES			
Bank loans and other borrowings		26,045,394	22,873,391
Amount due to non-controlling interests		2,813,803	2,916,490
Provisions and other liabilities		428,959	432,488
Deferred tax liabilities		619,183	561,566
Lease liabilities		7,309,389	7,670,426
		37,216,728	34,454,361
NET ASSETS		80,199,671	79,053,442
CAPITAL AND RESERVES			
Share capital		1,277,421	1,284,742
Reserves		61,009,085	60,070,348
Total equity attributable to equity shareholders of the Company		62,286,506	61,355,090
Non-controlling interests		17,913,165	17,698,352
TOTAL EQUITY		80,199,671	79,053,442

Notes:

1. MATERIAL 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 2023/24 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024/25 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 2023/24 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 2024 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 2024 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 26 September 2024.

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 2024: US\$1 = HK\$7.7643, 30 June 2024: US\$1 = HK\$7.8088, 31 December 2023: US\$1 = HK\$7.8115).

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 - Classification of liabilities as current or non-current
- Amendments to HKAS 1 - Non-current liabilities with covenants
- Amendments to HKFRS 16 - Lease liability in a sale and leaseback
- Amendments to HKAS 7 and HKFRS 7 - Supplier finance arrangements

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.

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 and provision of investment advisory and management services, with trading and strategic investments in global capital markets.	Subsidiaries and joint venture
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 a 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 2024 or 2023.

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 2023/24.

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 2024						
Turnover	1,238,491	5,845,742	5,874,556	-	234,589	13,193,378
Disaggregated by timing of revenue						
- Point in time	626,738	1,692,467	5,874,556	-	234,589	8,428,350
- Over time	-	4,153,275	-	-	-	4,153,275
Revenue from external customers	626,738	5,845,742	5,874,556	-	234,589	12,581,625
Inter-segment revenue	37,509	7,361	-	-	-	44,870
Reportable segment revenue	664,247	5,853,103	5,874,556	-	234,589	12,626,495
Reportable segment operating profit	1,017,311	1,096,731	1,046,015	-	57,036	3,217,093
Finance costs	(132,435)	(682,237)	(280,709)	-	(26,445)	(1,121,826)
Valuation deficit on investment properties	-	(300,484)	-	-	-	(300,484)
Share of profits of associates	-	2,818	-	757,690	-	760,508
Share of profits/(losses) of joint ventures	9,278	(10,870)	-	-	-	(1,592)
Profit before taxation	894,154	105,958	765,306	757,690	30,591	2,553,699
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	-	55	-	671,160	-	671,215
Share of profits of joint ventures	5,577	119,320	-	-	-	124,897
Profit before taxation	221,024	443,878	339,744	671,160	116,962	1,792,768

3. SEGMENT REPORTING (cont'd)

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

Revenue

	Six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Reportable segment revenue	12,626,495	12,439,547
Elimination of inter-segment revenue	<u>(44,870)</u>	<u>(49,142)</u>
Consolidated revenue (Note 4)	<u>12,581,625</u>	<u>12,390,405</u>

Finance costs

	Six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Reportable finance costs	1,121,826	1,136,331
Elimination of inter-segment finance costs	<u>(37,160)</u>	<u>(41,455)</u>
Consolidated finance costs (Note 6(a))	<u>1,084,666</u>	<u>1,094,876</u>

4. TURNOVER AND REVENUE

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

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue from sale of properties	4,933,397	5,338,970
Revenue from hospitality and leisure	5,869,618	5,210,307
Rental income from properties	750,671	619,448
Interest income	308,590	297,655
Dividend income	429,192	605,989
Revenue from sales of goods	234,542	272,870
Others	<u>55,615</u>	<u>45,166</u>
Revenue	12,581,625	12,390,405
Proceeds from sale of investments in securities	611,753	903,504
Turnover	<u>13,193,378</u>	<u>13,293,909</u>

5. OTHER NET GAINS/(LOSSES)

	Six months ended 31 December	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Net realised and unrealised gains/(losses) on trading financial assets	416,055	(388,518)
Net realised and unrealised losses on derivative financial instruments	(8,805)	(25,254)
Net losses on foreign exchange contracts	(23,758)	(48,931)
Other exchange gains	69,451	47,244
Net losses on disposal of property, plant and equipment	(13,587)	(3,484)
Net losses on disposal of intangible assets	-	(4,601)
Provision made	(6,266)	(15,795)
Gain on disposal of a subsidiary (Note)	65,802	-
Gain on extinguishment of lease liabilities in relation to surrender of leases	100,368	-
Other net income	9,830	28,629
	<u>609,090</u>	<u>(410,710)</u>

Note:

During the six months ended 31 December 2024, the Group disposed of its digital non-proprietary business (which was classified under assets held for sale) to a third party.

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	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Interest on bank loans and other borrowings	899,318	993,531
Interest on lease liabilities	203,874	194,458
Other borrowing costs	23,478	16,395
Total borrowing costs	<u>1,126,670</u>	<u>1,204,384</u>
Less: borrowing costs capitalised into:		
- development properties	(7,407)	(70,998)
- investment properties	(34,597)	(38,510)
Total borrowing costs capitalised (Note)	<u>(42,004)</u>	<u>(109,508)</u>
	<u>1,084,666</u>	<u>1,094,876</u>

Note:

These borrowing costs have been capitalised at rates of 3.56% to 5.08% per annum (2023: 4.40% to 5.52%).

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

(b) Staff cost

	Six months ended 31 December	
	2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Salaries, wages and other benefits	1,983,680	1,504,282
Contributions to defined contribution retirement plans	58,892	99,026
Equity-settled share-based payment expenses	11,103	4,663
	<u>2,053,675</u>	<u>1,607,971</u>

(c) Other items

	Six months ended 31 December	
	2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Depreciation		
- other property, plant and equipment	247,850	227,993
- right-of-use assets	148,119	131,498
Amortisation		
- customer relationship, licences and brand names	7,275	7,358
- casino licences and brand names	272	305
- Bass Strait oil and gas royalty	21,996	22,052
- other intangible assets	77,464	100,776
Allowance for foreseeable loss on development properties (Note)	244,574	-
	<u>(750,671)</u>	<u>(619,448)</u>
Gross rental income from investment properties		
Less: direct outgoings	165,852	149,371
Net rental income	<u>(584,819)</u>	<u>(470,077)</u>

Note:

The Group recognised an allowance for foreseeable loss on development properties of HK\$244.6 million (2023: Nil), taking into consideration the selling prices of comparable properties, timing of sale launches, location of property, expected net selling prices and development expenditure.

7. TAX EXPENSES

Taxation in the consolidated income statement represents:

	Six months ended 31 December	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Current tax - Hong Kong Profits Tax	-	(8)
Current tax - Overseas	179,440	122,460
Deferred tax	240,839	67,319
	<u>420,279</u>	<u>189,771</u>

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2023: 16.5%) to the profits for the six months ended 31 December 2024. 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.

Pillar Two Income Tax

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. The Group is in scope of the enacted or substantively enacted legislation. Based on preliminary assessment, the Group does not expect material top-up tax in these jurisdictions.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impact of the top-up tax and accounts for it as a current tax when it is incurred.

8. DIVIDENDS

	Six months ended 31 December	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Dividends payable/paid in respect of the current year:		
- Interim dividend declared of HK\$0.60 (2023: HK\$0.50) per ordinary share	<u>197,429</u>	<u>164,525</u>
Dividends paid in respect of the prior year:		
- Final dividend of HK\$2.70 (2023: HK\$2.50) per ordinary share	<u>876,009</u>	<u>815,039</u>

The interim dividend declared for the year ending 30 June 2025 of HK\$197,429,000 (2024: HK\$164,525,000) is calculated based on 329,051,373 ordinary shares (2023: 329,051,373 ordinary shares) in issue as at 31 December 2024.

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\$1,788,912,000 (2023: HK\$1,448,885,000) and the weighted average number of 325,224,511 ordinary shares (2023: 325,224,511 ordinary shares) in issue during the period.

(b) Diluted earnings per share

For the six months ended 31 December 2024 and 2023 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 2024 (Unaudited) HK\$'000	At 30 June 2024 (Audited) HK\$'000
Trade debtors	1,025,681	1,197,902
Other receivables, deposits and prepayments	701,927	832,764
Derivative financial instruments, at fair value	167,459	25,839
Interest receivables	80,298	87,005
	<u>1,975,365</u>	<u>2,143,510</u>

Included in the Group's trade and other receivables is HK\$83.1 million (30 June 2024: HK\$71.1 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 2024 (Unaudited) HK\$'000	At 30 June 2024 (Audited) HK\$'000
Within 1 month	842,445	1,049,122
1 to 3 months	85,368	83,546
More than 3 months	97,868	65,234
	<u>1,025,681</u>	<u>1,197,902</u>

11. TRADE AND OTHER PAYABLES

	At 31 December 2024 (Unaudited) HK\$'000	At 30 June 2024 (Audited) HK\$'000
Trade creditors	668,075	915,748
Other payables and accrued operating expenses	4,369,720	4,618,735
Derivative financial instruments, at fair value	42,059	44,744
Amounts due to fellow subsidiaries	70,826	98,750
Amounts due to associates and joint ventures	2,360	3,381
	<u>5,153,040</u>	<u>5,681,358</u>

Included in trade and other payables is HK\$466.6 million (30 June 2024: HK\$454.5 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 2024 (Unaudited) HK\$'000	At 30 June 2024 (Audited) HK\$'000
Within 1 month	323,901	304,307
1 to 3 months	280,406	525,170
More than 3 months	63,768	86,271
	<u>668,075</u>	<u>915,748</u>

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\$0.60 per share amounting to approximately HK\$197 million for the financial year ending 30 June 2025 (2023/2024 interim dividend: HK\$0.50 per share, amounting to approximately HK\$165 million), which will be payable on Tuesday, 25 March 2025 to the shareholders whose names appear on the Register of Members on Wednesday, 12 March 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The Group recorded an unaudited consolidated profit attributable to shareholders of HK\$1,788.9 million for the six months ended 31 December 2024, representing an increase of 23% versus the corresponding period in 2023. This was mainly attributable to the favourable performances of most of the Group’s segments, partially offset by the reduced profit from the Property Development and Investment segment and Others segment. Basic earnings per share amounted to HK\$5.50 as compared to HK\$4.46 in the prior period.

For the six months ended 31 December 2024, 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\$894.2 million, HK\$105.9 million, HK\$765.3 million, HK\$757.7 million and HK\$30.6 million respectively. Overall, the unaudited consolidated profit before taxation of the Group increased by 42% to HK\$2,553.7 million for the six months ended 31 December 2024.

The Group’s revenue for the six months ended 31 December 2024 slightly increased by 2% to HK\$12.6 billion, primarily due to an increase of HK\$0.7 billion in revenue from the Hospitality and Leisure segment attributable to the continued growth of the business in the current period. The increase was partially offset by a decrease of HK\$0.2 billion in revenue from the Principal Investment segment and a decrease of HK\$0.3 billion in revenue from the Property Development and Investment segment.

Review of Operations

Principal Investment

During the six-month period ended 31 December 2024, global equity markets, excluding Europe, experienced positive returns. The third calendar quarter saw heightened volatility driven by US recession fears and the Bank of Japan’s surprise rate hike, followed by a market rally as the Federal Reserve initiated a rate cut in September. The fourth quarter brought mixed results, with US equities buoyed by election outcomes while other markets faced pressure from, inter alia, trade tariff concerns. Moreover, in China, optimism surrounding stimulus talks awaits further clarity on policy measures. The Federal Open Market Committee meeting in December has signalled a more cautious rate-easing path for the upcoming year.

Amid the volatile market conditions, our Principal Investment segment recorded a pre-tax profit of HK\$894.2 million for the six months ended 31 December 2024. Our focus on companies with solid fundamentals has provided us with a more secure investment outcome, helping to stabilise the effects of short-term market swings during unpredictable times. Nonetheless, shareholders should bear in mind that this segment's results are subject to fair valuation adjustments and will hence retain a level of volatility.

Given the uncertainties around the pace and magnitude of rate cuts by key central banks which drive higher foreign exchange and interest rate volatility, Group Treasury continued to focus on hedging and managing foreign exchange exposures. Efforts in securing attractive cash yields and overseeing the Group's overall liquidity continued to minimise the adverse effects of volatile financial markets.

Property Development and Investment

GuocoLand Limited ("GuocoLand")

For the six months ended 31 December 2024, GuocoLand's revenue reached S\$1,010.1 million (approximately HK\$5,919.9 million), mainly due to the continued strong performance of both its property development and property investment businesses.

GuocoLand's property development business continued to be a strong contributor to its revenue for the six months ended 31 December 2024, supported by progressive recognition of profits from substantially sold residential developments in Singapore. Property development contributed revenue of S\$841.3 million (approximately HK\$4,930.6 million), albeit a decrease of 8% as compared to the corresponding period in 2023, mainly due to the timing of the progressive recognition of profits and lower sales in China. Property development revenue from Singapore amounted to S\$725.1 million (approximately HK\$4,249.6 million), a slight decrease of 3% compared to the corresponding period in 2023. Property development revenue recognised in China decreased by 30% to S\$82.5 million (approximately HK\$483.5 million), mainly due to lower sales for Guoco 18T, as sentiment in the Chongqing residential market remained weak. China continues to be a challenging real estate market given the ongoing geopolitical and macroeconomic challenges. Thus, Guocoland will continue to actively monetise its assets and manage the risks prevalent in China.

Revenue from GuocoLand's investment properties increased by 19% to S\$130.6 million (approximately HK\$765.4 million), driven mainly by the higher recurring rental revenue from Guoco Tower and Guoco Midtown in Singapore. Committed occupancy for both Guoco Tower and Guoco Midtown remain close to 100%. In China, recurring rental revenue from Guoco Changfeng City in Shanghai increased by 23% to S\$11.4 million (approximately HK\$66.8 million) during the review period. Committed occupancy for South Tower was close to 95% whilst leasing activity at the North Tower, which has been classified as an investment property in June 2024, continues to progress.

Notwithstanding the marginal drop in total revenue, gross profit increased by 16% to S\$247.9 million (approximately HK\$1,452.9 million) compared to the corresponding period in 2023. Together with the decrease in administrative expenses and the absence of fair value loss on interest rate hedges recorded in the previous corresponding period, operating profit for the six months ended 31 December 2024 increased by 35% to S\$214.5 million (approximately HK\$1,257.1 million).

GuocoLand recognised a share of loss of associates and joint ventures of S\$1.4 million (approximately HK\$8.2 million) for the six months ended 31 December 2024 as compared to a share of profit of S\$20.5 million (approximately HK\$119.2 million) for the previous corresponding period. This was mainly due to expenses recognised from new joint venture projects whilst profit contribution from the Avenir, a joint venture residential project in Singapore, was substantially recognised in the previous financial year. Net finance costs remained unchanged at S\$96.5 million (approximately HK\$565.6 million) for the six months ended 31 December 2024.

Overall, GuocoLand's profit attributable to equity holders increased by 13% to S\$74.6 million (approximately HK\$437.2 million), as compared to the corresponding period in 2023.

In Singapore, statistics from the Urban Redevelopment Authority for the fourth quarter of 2024 indicated that the overall private residential price index increased by 2.3% in the quarter, mainly driven by sales transactions at new launch projects. The increase in new sales volumes may indicate an improvement in market sentiment for non-landed private homes in Singapore. With more non-landed private properties scheduled to launch over the next 12 months, prices are expected to remain resilient. However, buyers may remain selective due to the choice of new launch options. An increasing demand for quality is anticipated to continue driving the Grade A office market in Singapore. Rental rates are expected to remain relatively stable for 2025, with lower vacancies in certain new office stock and most tenants reluctant to move due to high fit-out costs. Tenants are likely to continue to focus on buildings with superior attributes, and sustainable features.

In China, the real estate market experienced downward momentum for the third consecutive year in 2024, recording double-digit declines in both real estate sales and investment. While China's property market has shown mild responsiveness to stimulus policies, a full recovery is likely to hinge on a significant improvement of overall economic sentiments and consumer confidence.

In Malaysia, preliminary estimates indicate that the overall GDP growth for 2024 was 5.1%, compared to 3.6% in 2023. Data suggests that the residential property market has shown improvement with increased transactions and reduced overhang. However, the property market remains challenged by rising construction costs, high interest rates and oversupply. Despite the steady demand for high-quality and sustainable office spaces in the Klang Valley market, the oversupply of office space in the area continues to pose a challenge.

GuocoLand will continue to monitor the dynamic trends within its exposed markets, reinforcing its twin engines of property development and property investment to serve as the bedrock for profits and future growth.

Hospitality and Leisure

The Clermont Hotel Group (“CHG”)

CHG, our key hotel operating business unit in the United Kingdom (“UK”), recorded a profit after tax of GBP31.3 million (approximately HK\$314.3 million) for the six months ended 31 December 2024, compared to GBP21.1 million (approximately HK\$207.1 million) for the corresponding period in 2023. In December 2024, CHG surrendered the lease at Hyde Park to the landlord, successfully completing its exit from a small non-core site.

Despite facing challenges in the London market, CHG continued to deliver strong top-line performance. While growth in hotel room rates has moderated since the early post-pandemic period, the business has focused on a volume strategy. This approach drove average room occupancy to 88%. Coupled with an emphasis on targeted above-market rate growth, CHG recorded an increase in revenue to GBP164.3 million (approximately HK\$1,649.9 million) for the six months ended 31 December 2024, representing a 10% rise compared to the same period in 2023. Additionally, CHG remained proactive in cost management, deploying measures such as renegotiation of contracts, supplier tenders, energy hedging and leveraging scale efficiencies at higher occupancy levels. These initiatives have effectively countered rising labour expenses, persistently high utility costs and inflationary pressures, notably in the food, beverage and laundry sectors.

Although inflation has moderated, high interest rates continued to impact on its borrowing costs. Nonetheless, strong cash generation has allowed management to continue reducing its external debts. This reduction has been achieved alongside increased capital expenditure investments on the repair and refurbishment of the estate, contributing to enhancement of overall hotel value and returns. Progress on targeted hotel repositioning and infrastructure upgrades has been consistently maintained throughout the year.

Looking ahead, the growth outlook for the London market appears to be more subdued compared to recent years, with the macroeconomic environment remaining uncertain. Nevertheless, CHG’s strong commercial and operational performance should provide a solid foundation for our future business growth.

The Rank Group Plc (“Rank”)

Rank’s net gaming revenue increased by 11% to GBP401.8 million (approximately HK\$4,035.0 million) for the six months ended 31 December 2024, due to growth across all business units. During the review period, a profit after tax of GBP28.9 million (approximately HK\$290.2 million) was recorded.

Over the first half of the financial year, the number of customer visits to Grosvenor venues rose by 7% and coupled with an 8% increase in the spend per customer visit, which has resulted in strong revenue growth. The increase in operating profit highlights the strong operating leverage of the Grosvenor business. For Mecca venues, customer visits increased by 1% with spend per customer visit rising by 5%. In Spain, substantial revenue growth in Enracha was driven by a 7% increase in customer visits.

The digital business continued to perform well with strong growth in Grosvenor by 22% and in Mecca by 21%, supported by the launch of in-house developed Grosvenor and Mecca apps. In Spain, the Yo and Enracha brands recorded an increase of 5% in net gaming revenue.

In the second half of the financial year, Rank anticipates seeing inflationary employment cost headwinds and adverse financial implications related to certain measures introduced in the UK Gambling Act. Nevertheless, Rank is confident in growing revenues and securing further cost efficiencies, which will help to sustain a positive trajectory for profit growth.

Financial Services

Hong Leong Financial Group Berhad (“HLFG”)

HLFG will publish its results for the interim period ended 31 December 2024 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

The Group’s wholly-owned Manuka honey product producer and distributor, Manuka Health New Zealand Limited (“MHNZ”), recorded a decline in its results compared to the corresponding period in 2023. This was primarily due to the loss of a key customer in Germany and heightened competitive pricing pressures, particularly in Europe and the US. MHNZ will remain steadfast in optimising its business model through a focus on strong market positioning and brand development, and emphasising its strategy in the premium segment to further solidify its market presence.

The Bass Strait oil and gas business also saw a decrease in its results for the six months ended 31 December 2024 due to a decrease in extraction volume of hydrocarbons.

GROUP FINANCIAL COMMENTARY

Capital Management

The consolidated total equity attributable to shareholders of the Company as at 31 December 2024 amounted to HK\$62.3 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\$10.0 billion. The equity-debt ratio was 86:14 as at 31 December 2024.

Liquidity and Financial Resources

The Group’s total cash and short term funds as well as trading financial assets were mostly denominated in USD (35%), HKD (22%), SGD (13%), RMB (9%), JPY (8%), and GBP (5%) as at 31 December 2024.

The Group's total bank loans and other borrowings amounted to HK\$34.3 billion as at 31 December 2024, and were mostly denominated in SGD (70%), RMB (10%), HKD (8%), USD (6%), GBP (3%) and RM (2%). The Group has borrowings of HK\$8.3 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\$44.8 billion as at 31 December 2024.

Committed borrowing facilities available to the Group and not yet drawn as at 31 December 2024 amounted to approximately HK\$12.9 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 2024, approximately 77% of the Group's bank loans and other borrowings carried interest at floating rates and the remaining 23% carried interest at fixed rates. The Group had outstanding interest rate contracts with a notional amount of HK\$0.2 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 exposure and investments.

As at 31 December 2024, there were outstanding foreign exchange contracts with a total notional amount of HK\$2.7 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

Heading into the second half of the financial year, the US economy is expected to maintain its positive trend while emerging markets and Europe are expected to face challenges. US equity markets have remained strong post the Presidential election, and corporate earnings growth is showing strength. However, increased volatility is also expected on the back of uncertainty with regards to the potential implementation of more trade policies. In China, the government is looking to stabilise domestic demand and spur consumption through market measures. Investment by institutional investors is set to remain cautious while awaiting positive economic indicators.

In the face of increasing volatility, our Principal Investment business will maintain its measured and disciplined approach to the equity markets, with fundamental analysis continuing to guide portfolio management decisions. Additionally, as our core businesses uphold the Group's dedication to long-term sustainable development, cost optimization and operational enhancement, we maintain a cautiously optimistic outlook on our prospects, believing in their capacity to unlock opportunities and drive stable growth.

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 2024.

COMPLIANCE WITH THE 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 2024 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 Wednesday, 12 March 2025, 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 Tuesday, 11 March 2025.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 24 February 2025

As at the date of this announcement, the Board comprises Mr. KWEK Leng Hai as Executive Chairman; Mr. Christian K. NOTHHAFT as Executive Director & CEO; Mr. KWEK Leng San as Non-executive Director; Mr. Lester G. HUANG, SBS, JP, Mr. Paul J. BROUGH and Ms. Melissa WU Mao Chin as Independent Non-executive Directors.