

2020/21

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I N T E R I M  
R E P O R T



A Member of the Hong Leong Group

(Stock Code: 53)

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## CORPORATE INFORMATION

(As at 23 February 2021)

### BOARD OF DIRECTORS

#### Executive Chairman

KWEK Leng Hai

#### Executive Director

CHEW Seong Aun

#### Non-executive Director

KWEK Leng San

#### Independent Non-executive Directors

Roderic N. A. SAGE

David Michael NORMAN

Lester G. HUANG, *SBS, JP*

### BOARD AUDIT AND RISK MANAGEMENT COMMITTEE

Roderic N. A. SAGE – *Chairman*

David Michael NORMAN

Lester G. HUANG, *SBS, JP*

### BOARD REMUNERATION COMMITTEE

Roderic N. A. SAGE – *Chairman*

KWEK Leng Hai

Lester G. HUANG, *SBS, JP*

### BOARD NOMINATION COMMITTEE

KWEK Leng Hai – *Chairman*

Roderic N. A. SAGE

David Michael NORMAN

### GROUP CHIEF FINANCIAL OFFICER

CHEW Seong Aun

### COMPANY SECRETARY

LO Sze Man, Stella

### PLACE OF INCORPORATION

Bermuda

### REGISTERED OFFICE

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Hamilton HM 11, Bermuda

### PRINCIPAL OFFICE

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### BRANCH SHARE REGISTRAR

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Hong Kong

### AUDITOR

KPMG

*Public Interest Entity Auditor registered in accordance with the  
Financial Reporting Council Ordinance*

## FINANCIAL CALENDAR

Preliminary announcement of interim results  
Latest time to register transfers for interim dividend  
Closure of register of members for interim dividend  
Payment date of interim dividend of HK\$0.50 per share

23 February 2021 (Tuesday)  
4:30 p.m. on 9 March 2021 (Tuesday)  
10 March 2021 (Wednesday)  
23 March 2021 (Tuesday)

**The board of directors (the “Board”) of Guoco Group Limited (the “Company”) is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 31 December 2020 as follows:**

## FINANCIAL RESULTS

For the six months ended 31 December 2020, amid an unprecedented and persistent COVID-19 pandemic, the Group recorded an unaudited consolidated profit attributable to shareholders of HK\$1,011 million, 6% lower than the corresponding period in 2019. This was mainly a result of the profits generated during this period offset by losses suffered in the hospitality and leisure segment. Basic earnings per share amounted to HK\$3.11.

The hospitality and leisure segment recorded a loss before taxation of HK\$920 million as lockdowns, border closures and social distancing measures brought travel and leisure activities to almost a standstill. Despite this setback, the Group still managed to close the period in a profitable position with the profits before taxation generated from the principal investment, property development and investment, financial services and other segments of HK\$790 million, HK\$363 million, HK\$530 million and HK\$58 million respectively.

Revenue during the six months ended 31 December 2020 declined by 50% to HK\$4.6 billion, again primarily due to a drop of HK\$3.5 billion in revenue from the hospitality and leisure segment, and compounded by a decrease of HK\$1.3 billion in revenue from the property development and investment segment, as a result of lower progressive sales recognition from residential projects in Singapore.

## INTERIM DIVIDEND

The Board has declared an interim dividend of HK\$0.50 per share amounting to approximately HK\$165 million (2019/2020 interim dividend: HK\$1.00 per share amounting to approximately HK\$329 million) for the financial year ending 30 June 2021 which will be payable on Tuesday, 23 March 2021 to the shareholders whose names appear on the Register of Members on Wednesday, 10 March 2021.

## REVIEW OF OPERATIONS

### PRINCIPAL INVESTMENT

The second half of 2020 began with continued global equity market recovery in the midst of escalation in the global pandemic, albeit more muted than the previous three months as governments pulled back on fiscal stimuli. Uncertainty of the U.S. elections in November somewhat subdued increases in asset prices, but global equity markets were quick to take off again once the elections results were in, followed by the much anticipated announcement of the availability of various effective COVID-19 vaccines. The months of November and December once again lived up to their reputation of being the seasonally strongest months of a year for equity prices.

Against this bullish equity market backdrop, the Principal Investment segment recorded improved results against the previous corresponding period with a pre-tax gain for the six months ended 31 December 2020 of HK\$789.6 million as equity values hit all-time high, while the treasury team focused on managing the foreign currency risk exposures and liquidity positions of the Group’s companies in a challenging environment.

### Significant Investment

As at 31 December 2020, the Group held as a long term investment approximately 436 million shares (14.94% of the total issued shares in The Bank of East Asia, Limited (“BEA”, listed on the Stock Exchange with Stock Code: 023)) with total investment cost of HK\$11.2 billion.

BEA is engaged in the provision of banking and related financial services. The investment in BEA held by the Group accounted for approximately 5% of the Group’s total asset value as at 31 December 2020 with a fair value of HK\$7.2 billion. The Group recorded an unrealised loss of HK\$0.5 billion in its fair value reserve and a dividend income of approximately HK\$70 million for the six months ended 31 December 2020.

## REVIEW OF OPERATIONS

### PRINCIPAL INVESTMENT (cont'd)

#### Significant Investment (cont'd)

BEA announced that for the financial year ended 31 December 2020, it earned a profit attributable to owners of the parent of HK\$3,614 million, representing an increase of HK\$354 million or 10.8%, compared with the HK\$3,260 million earned in the year 2019. Pre-provision operating profit of BEA was down by HK\$1,517 million or 15.4% to HK\$8,347 million. The increase in attributable profit was mainly due to a significant decrease in impairment losses in Mainland China. It was set out in the outlook of BEA's 2020 final results announcement that BEA is a Hong Kong-headquartered bank, deeply rooted in the Greater China region and serving 1.9 million customers in the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA") alone. BEA is fully licensed to participate in all aspects of banking and wealth management, and possesses an extensive omni-channel distribution network. BEA's platforms in Hong Kong, Macau and the Pearl River Delta uniquely position them to benefit from the opportunities in the GBA and beyond, and BEA is determined to capitalise on these opportunities. BEA will explore strategic and synergistic partnerships in Mainland China to enhance the value and capability of its unique regional platform.

### PROPERTY DEVELOPMENT AND INVESTMENT

#### GuocoLand Limited ("GuocoLand")

For the six months ended 31 December 2020, GuocoLand's revenue and gross profit declined more than 40% as compared to the corresponding period in 2019 to S\$319.6 million and S\$95.0 million respectively, mainly due to lower progressive recognition of sales from the Singapore residential projects as construction of Martin Modern reaches its tail end. Whilst revenue from GuocoLand's investment properties was similar to that of the corresponding period in 2019, revenue from the hotel business fell by 75%. Gross profit margin remained stable at approximately 30%.

Other income increased by 58% to S\$25.2 million partly due to the completion of the disposal of the Changfeng cultural building in Shanghai for a consideration of RMB610 million. Related taxes for the disposal transaction were recorded in the tax expense resulting in an increase as compared to the corresponding period in 2019. Meanwhile, the change from fair value loss to fair value gain on derivative financial instruments for the period also contributed to the increase in other income and led to the decrease in other expenses by 93%.

In October 2020, GuocoLand entered into an agreement to dispose of its two subsidiaries in Vietnam for a consideration of approximately US\$28 million. Upon completion of this transaction, GuocoLand will cease to have business operations in Vietnam.

Latest statistics released by the Urban Redevelopment Authority in Singapore showed that the overall private residential price index increased by 2.1% quarter-on-quarter in the fourth quarter of 2020, compared with a 0.8% increase in the previous quarter. The Singapore residential market is expected to remain strong, supported by low interest rates, bright spots in the economy and long-term confidence in the market. Both the residential and office sectors are expected to benefit from any economic recovery and the vaccine rollout.

Average new home prices across the 70 biggest cities in China rose 0.1% month-on-month and 3.8% year-on-year in December 2020 according to calculations by Reuters of the data from the National Bureau of Statistics. In Chongqing, prices increased by 0.3% month-on-month and 4.6% year-on-year in December 2020. China's housing market is expected to remain resilient in 2021 underpinned by deferred purchases, upgrade demand and confidence in the property market.

The residential property market in Malaysia continued to struggle with a large overhang of completed properties. The property market is likely to remain soft, with the pace of recovery dependent on domestic and external factors such as political stability and COVID-19-related developments.

## REVIEW OF OPERATIONS

**HOSPITALITY AND LEISURE****GL Limited (“GL”)**

The hospitality and leisure sector was severely impacted by reduced mobility as a result of continued closure of borders, rounds of lockdowns and voluntary social distancing to contain the COVID-19 pandemic. Under such unprecedented and challenging conditions, GL recorded a loss after tax for the six months ended 31 December 2020 of US\$19.8 million, compared to a profit after tax of US\$26.9 million in the previous corresponding period.

Revenue was 90% lower than that of the previous corresponding period as lower revenues were generated by the hotel, as well as the oil and gas, segments. Hotel revenue was significantly lower compared to the previous corresponding period due to the continued impact from the COVID-19 pandemic in the United Kingdom (“UK”). Most of GL’s hotels were closed during the period from July to December 2020 following COVID-19 restrictions in the UK. Lower revenue was recognised in the oil and gas segment due to lower crude oil and gas prices, mitigated by the strengthening of AUD against USD during this period. GL reported a loss after tax of US\$19.8 million which was mitigated by the receipt of business interruption insurance payments in relation to its UK hotels, as well as government grants from various COVID-19 pandemic relief schemes in both the UK and Singapore.

The COVID-19 pandemic is expected to continue to significantly curtail business activities and depress demand for hotel rooms in London until business and leisure travel resume. With effect from January 2021, the UK government imposed another lockdown with tiered restrictions as a new COVID-19 variant caused a record number of cases. This has led to GL’s hotels being closed yet again. GL expects its UK hotels to continue to face a difficult operating environment in 2021 and has proactively taken actions to preserve liquidity by implementing cost reduction initiatives across all its business segments, utilising government support and relief schemes where applicable, deferring non-business critical capital projects, pursuing insurance claims and arranging credit facilities.

The global COVID-19 situation remains uncertain – uncertainty over the easing of health and safety measures, the pace of a global vaccine rollout and the timing of the easing of travel restrictions. GL will continue to monitor the situation closely as this unprecedented crisis lingers.

**The Rank Group Plc (“Rank”)**

Rank recorded a loss after tax for the six months ended 31 December 2020 of GBP48.6 million, compared to a profit after tax of GBP39.8 million in the previous corresponding period. Net gaming revenue declined by 55% to GBP177.6 million as a result of COVID-19 restrictions which saw venues being closed for 45% of the available operating days of the period. The situation was exacerbated further by the implementation of curfew at a time when Grosvenor’s casinos were allowed to open, only to be mitigated by a slight improvement in the net gaming revenue from the digital business.

Rank delivered the first important integration milestone in the first half of this financial year by successfully migrating one of its smaller brands, Bella Casino, onto its proprietary technology platform. The migration of Mecca and Grosvenor remains on track for the second half of this financial year and the first half of the next financial year respectively. Rank is confident of achieving the cost synergies expected of the migration. Migrating onto its own proprietary technology will provide the digital business with greater agility and speed in delivering developments to the market and, more importantly, provide Rank with the platform controlled by it for growth.

Rank continues to focus on the next stage of its transformation programme, while being mindful of current cash constraints, ensuring that Rank deploys its cash most effectively and maintains sufficient flexibility to pivot quickly once its venues reopen and generate cash for investment. This next phase of transformation places strong emphasis on revenue growth alongside continued pursuit of cost efficiencies.

Rank has taken strong and decisive action throughout the pandemic to preserve cash and protect liquidity. Additional capital of GBP70 million was raised through an equity placing at 90p per share, a 4% premium to the then closing price, which was completed on 23 November 2020. Rank has prepared to weather a prolonged period of enforced closure and expects a full closure of its venues in the near term until reopening is permitted by government rules.

In September 2020, when the majority of its venues were open, albeit operating under social distancing restrictions, Rank traded at a cash break even position – demonstrating that Rank should be able to quickly return to financial health when it is able to operate under any better trading conditions. The health and safety regimes ensure that its venues are COVID-safe places to visit and Rank believes that its customers recognise this. This bodes well for the eventual post-pandemic recovery.

## REVIEW OF OPERATIONS

### FINANCIAL SERVICES

#### Hong Leong Financial Group Berhad (“HLFG”)

HLFG Group recorded a profit before tax of RM1,955.0 million for the six months ended 31 December 2020 as compared to RM1,837.9 million in the corresponding period in 2019, an increase of RM117.1 million or 6.4%. The increase in profit was attributable to higher contribution from all the operating divisions.

Hong Leong Bank Group recorded a profit before tax of RM1,705.5 million for the six months ended 31 December 2020 as compared to RM1,703.5 million in the corresponding period in 2019, an increase of RM2.0 million or 0.1%. The increase in profit was mainly due to an increase in revenue by RM296.3 million, a drop in operating expenses by RM16.5 million and an increase in share of profit from associated companies by RM22.5 million. This was offset by an increase in allowance for impairment losses on loans, advances and financing by RM334.7 million.

HLA Holdings Group recorded a profit before tax of RM192.7 million for the six months ended 31 December 2020 as compared to RM126.2 million in the corresponding period in 2019, an increase of RM66.5 million or 52.7%. The increase in profit was mainly due to an increase in revenue by RM42.3 million of which RM38.0 million was due to the unrealised gain on revaluation of equities as well as an increase in life fund surplus by RM38.0 million.

Hong Leong Capital Group recorded a profit before tax of RM106.1 million for the six months ended 31 December 2020 as compared to RM47.5 million in the corresponding period in 2019, an increase of RM58.6 million or 123.4%. This was mainly due to higher contribution from the investment banking and stockbroking divisions.

### OTHERS

The Group’s wholly owned Manuka honey product producer and distributor, Manuka Health New Zealand Limited (“MHNZ”), continued to experience a year-on-year growth in sales, driven by increased demand for natural wellness products across a number of key markets under the ongoing impact of COVID-19. Leveraging on this growth momentum, MHNZ is working on a brand value proposition and a global communication strategy to build a distinctive brand to enhance market recognition and further grow the global consumer base.

### CORPORATE EXERCISE

#### Voluntary Conditional Cash Offer on GL

The Group announced a voluntary conditional cash offer (the “Offer”) in Singapore on 15 January 2021 for all the issued ordinary shares in the capital of GL at an offer price of S\$0.70 in cash for each GL share, subject to a minimum acceptance condition of 90%. It intends to privatise GL and delist it from the Singapore Exchange Securities Trading Limited. The Group’s 73.64% interest in GL is held via the Company’s wholly owned subsidiary, GuocoLeisure Assets Limited, which has irrevocably undertaken to accept the Offer. The Offer opened for acceptance on 4 February 2021 and will close on 4 March 2021, or such later date as may be announced.

## REVIEW OF OPERATIONS

### GROUP FINANCIAL COMMENTARY

#### Capital Management

The consolidated total equity attributable to shareholders of the Company as at 31 December 2020 amounted to HK\$59.1 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\$15.5 billion. The equity-debt ratio was 79:21 as at 31 December 2020.

#### Liquidity and Financial Resources

The Group's total cash and short term funds as well as trading financial assets were mostly denominated in USD (30%), HKD (24%), RMB (13%), GBP (10%), SGD (10%) and JPY (5%) as at 31 December 2020.

The Group's total bank loans and other borrowings amounted to HK\$38.1 billion as at 31 December 2020, and were mostly denominated in SGD (69%), GBP (9%), HKD (7%), MYR (5%), RMB (5%) and USD (5%). The Group has borrowings of HK\$6.2 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 and trading financial assets with an aggregate book value of HK\$49.8 billion as at 31 December 2020.

Committed borrowing facilities available to the Group and not yet drawn as at 31 December 2020 amounted to approximately HK\$18.6 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 2020, approximately 84% of the Group's bank loans and other borrowings carried interest at floating rates and the remaining 16% carried interest at fixed rates. The Group had outstanding interest rate contracts with a notional amount of HK\$11.0 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 2020, there were outstanding foreign exchange contracts with a total notional amount of HK\$16.9 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.

## HUMAN RESOURCES AND TRAINING

As at 31 December 2020, the Group had around 9,800 staff. The Group continued to seek an optimal workforce. It 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 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 to promote 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

Improvements in the COVID-19 situation will remain the most important factor in economic recovery moving forward. Although recent vaccine approvals have raised hopes, uncertainty still looms with new waves and variants of the virus posing concerns. Globally, subject to the effective deployment of vaccines around the world, the economy is projected to recover and grow. In the US, the possibility of less combative international trade and foreign policies under the new administration and the expectations of more fiscal stimuli paint a favourable outlook. On the other side, Europe will face the first year without a key member as the reality of the Brexit divorce sets in. Recovery, however, is expected to be uneven across sectors and countries.

Given the continuing immediate challenges, the outlook for the remainder of FY2021 remains challenging, especially with both our operating UK businesses severely affected and continuing to suffer losses. The London hotels and gaming operations are expected to stay closed in the near future and the re-opening is subject to the 4-step plan to ease the lockdown restrictions recently announced by the UK government. The Group is cognisant that current asset prices have already factored in investor optimism but less so the possibility of setbacks. We will therefore continue to maintain a prudent investment approach in our Principal Investment activities and the execution of strategic plans in our core businesses to produce long-term sustainable growth.

## PURCHASE, SALE OR REDEMPTION OF 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 six months ended 31 December 2020.

## CORPORATE GOVERNANCE

### CODE ON CORPORATE GOVERNANCE PRACTICES

The Board has adopted a Code on 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 "Stock Exchange").

During the period, the Company has complied 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.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 (the "Model Code") to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as the code of conduct regarding directors' securities transactions.

All directors of the Company, following specific enquiry by the Company, have confirmed that they have complied with the required standard set out in the Model Code throughout the period.

## OTHER INFORMATION

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2020, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were disclosed as follows in accordance with the Listing Rules.

#### (A) The Company

Director	Number of *shares (Long Position)		Approx. % of total number of shares in issue
	Personal interests	Total interests	
KWEK Leng Hai	3,800,775	3,800,775	1.16%
TANG Hong Cheong	130,000	130,000	0.04%
KWEK Leng San	209,120	209,120	0.06%
David Michael NORMAN	4,000	4,000	0.00%

\* Ordinary shares

#### (B) Associated Corporations

##### (a) Hong Leong Company (Malaysia) Berhad

Director	Number of *shares (Long Position)		Approx. % of total number of shares in issue
	Personal interests	Total interests	
KWEK Leng Hai	420,500	420,500	2.61%
KWEK Leng San	160,895	160,895	1.00%

\* Ordinary shares

OTHER INFORMATION

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)**

(B) Associated Corporations (cont'd)

(b) GuocoLand Limited ("GuocoLand")

Director	Number of *shares/ underlying shares (Long Position)		Approx. % of total number of shares in issue	
	Personal interests	Total interests		
KWEK Leng Hai	35,290,914	35,290,914	2.98%	
TANG Hong Cheong	585,000	585,000	0.04%	Note

\* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 585,000 shares/underlying shares comprised 345,000 ordinary shares of GuocoLand and an option of 240,000 underlying shares of GuocoLand pursuant to an executive option scheme of a Hong Leong Group company.

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

Director	Number of *shares/ underlying shares (Long Position)		Approx. % of total number of shares in issue	
	Personal interests	Total interests		
KWEK Leng Hai	2,526,000	2,526,000	0.22%	
TANG Hong Cheong	174,146	174,146	0.02%	
CHEW Seong Aun	1,590,000	1,590,000	0.13%	Note
KWEK Leng San	654,000	654,000	0.06%	

\* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 1,590,000 shares/underlying shares comprised 190,000 ordinary shares of HLFG and an option of 1,400,000 underlying shares of HLFG.

## OTHER INFORMATION

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)****(B) Associated Corporations (cont'd)**

## (d) GuocoLand (Malaysia) Berhad

Director	Number of *shares (Long Position)		Approx. % of total number of shares in issue
	Personal interests	Total interests	
KWEK Leng Hai	226,800	226,800	0.03%
TANG Hong Cheong	195,000	195,000	0.03%

\* Ordinary shares

## (e) GL Limited

Director	Number of *shares (Long Position)		Approx. % of total number of shares in issue
	Personal interests	Total interests	
KWEK Leng Hai	300,000	300,000	0.02%
TANG Hong Cheong	2,500,000	2,500,000	0.18%

\* Ordinary shares

## (f) The Rank Group Plc

Director	Number of *shares (Long Position)		Approx. % of total number of shares in issue
	Personal interests	Total interests	
KWEK Leng Hai	1,026,209	1,026,209	0.26%
TANG Hong Cheong	200,000	200,000	0.04%
KWEK Leng San	56,461	56,461	0.01%

\* Ordinary shares

OTHER INFORMATION

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)**

**(B) Associated Corporations (cont'd)**

(g) Hong Leong Industries Berhad ("HLI")

Director	Number of *shares/underlying shares (Long Position)			Approx. % of total number of shares in issue	
	Personal interests	Family interests	Total interests		
KWEK Leng Hai	190,000	-	190,000	0.06%	
TANG Hong Cheong	300,000	15,000	315,000	0.10%	
KWEK Leng San	2,632,500	-	2,632,500	0.82%	Note

\* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 2,632,500 shares/underlying shares comprised 2,544,167 ordinary shares of HLI and a share grant of 88,333 underlying shares of HLI which shall be vested in 2 tranches on 31 January 2021 and 31 January 2022.

(h) Hong Leong Bank Berhad

Director	Number of *shares (Long Position)		Approx. % of total number of shares in issue
	Personal interests	Total interests	
KWEK Leng Hai	5,510,000	5,510,000	0.26%
KWEK Leng San	536,000	536,000	0.03%

\* Ordinary shares

(i) Malaysian Pacific Industries Berhad ("MPI")

Director	Number of *shares/ underlying shares (Long Position)		Approx. % of total number of shares in issue	
	Personal interests	Total interests		
KWEK Leng Hai	71,250	71,250	0.04%	
KWEK Leng San	1,482,500	1,482,500	0.74%	Note

\* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 1,482,500 shares/underlying shares comprised 1,334,167 ordinary shares of MPI and a share grant of 148,333 underlying shares of MPI which shall be vested in 2 tranches on 31 January 2021 and 31 January 2022.

## OTHER INFORMATION

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)****(B) Associated Corporations (cont'd)**

## (j) Lam Soon (Hong Kong) Limited ("LSHK")

Director	Number of *shares (Long Position)			Total interests	Approx. % of total number of shares in issue
	Personal interests	Family interests			
KWEK Leng Hai	2,300,000	-		2,300,000	0.95%
TANG Hong Cheong	700,000	-		700,000	0.29%
Lester G. HUANG, SBS, JP	-	150,000		150,000	0.06%

\* Ordinary shares

## (k) Hume Cement Industries Berhad ("HCIB", formerly known as "Hume Industries Berhad")

Director	Number of *shares/underlying shares (Long Position)			Total interests	Approx. % of total number of shares in issue	Note
	Personal interests	Family interests				
KWEK Leng Hai	310,771	-		310,771	0.06%	2
TANG Hong Cheong	3,776,670	26,199		3,802,869	0.76%	3
KWEK Leng San	5,938,742	-		5,938,742	1.18%	4

\* Ordinary shares unless otherwise specified in the Note

Director	Amount of debentures			Total Interests	Note
	Personal interests MYR	Family interests MYR			
KWEK Leng Hai	73,900	-		73,900	1
TANG Hong Cheong	930,000	7,000		937,000	1
KWEK Leng San	1,412,000	-		1,412,000	1

Note:

- Interests in 5-year 5% redeemable convertible unsecured loan stocks ("RCULS") issued by HCIB. The RCULS are convertible into ordinary shares of HCIB at the conversion price of RM0.7 RCULS for 1 HCIB share.
- The total interest of 310,771 shares/underlying shares comprised 205,200 ordinary shares of HCIB and a derivative interest of 105,571 underlying shares of HCIB through the conversion right under the RCULS.
- The personal interest of 3,776,670 shares/underlying shares comprised 2,448,100 ordinary shares of HCIB and a derivative interest of 1,328,570 underlying shares of HCIB through the conversion right under the RCULS. The family interest of 26,199 shares/underlying shares comprised 16,200 ordinary shares of HCIB and a derivative interest of 9,999 underlying shares of HCIB through the conversion right under the RCULS.
- The total interest of 5,938,742 shares/underlying shares comprises 3,921,600 ordinary shares of HCIB and a derivative interest of 2,017,142 underlying shares of HCIB through the conversion right under the RCULS.

OTHER INFORMATION

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)**

(B) Associated Corporations (cont'd)

(l) Southern Steel Berhad

Director	Number of *shares (Long Position)		Approx. % of total number of shares in issue
	Personal interests	Total interests	
TANG Hong Cheong	71,000	71,000	0.01%

\* Ordinary shares

Save as disclosed above, as at 31 December 2020, none of the directors of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified by the directors of the Company pursuant to the Model Code required to be disclosed in accordance with the Listing Rules.

**UPDATE ON DIRECTORS' INFORMATION**

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Company's directors are set out below:

**1. Mr. TANG Hong Cheong**

- retired from his position as the President & CEO and relinquished his position as an executive director of the Company with effect from 1 January 2021.

**2. Mr. CHEW Seong Aun**

- appointed on 10 December 2020 as a non-executive director of The Rank Group Plc, a subsidiary of the Company and listed on the London Stock Exchange;
- appointed on 1 January 2021 as an executive director of GL Limited, a subsidiary of the Company and listed on the Singapore Stock Exchange;
- appointed on 1 January 2021 as a non-executive director of Lam Soon (Hong Kong) Limited, a listed company on the Stock Exchange; and
- appointed on 8 January 2021 as a non-executive director of GuocoLand Limited, a subsidiary of the Company and listed on the Singapore Stock Exchange.

**3. Mr. Lester G. HUANG, SBS, JP**

- ceased to be a director of Lei Foundation Limited (formerly known as Faithful Servant Charitable Foundation Limited) on 3 September 2020.

## OTHER INFORMATION

## SHARE OPTIONS

## The Company

Executive Share Option Scheme 2012 (the "ESOS 2012")

The ESOS 2012 was approved by the shareholders of the Company at the special general meeting on 14 November 2012 and took effect on 16 November 2012. Under the ESOS 2012, options may be granted over newly issued and/or existing shares of the Company to executives or directors of the Company or any of its subsidiaries from time to time.

No option had been granted pursuant to the ESOS 2012 during the six months ended 31 December 2020.

## GuocoLand Limited ("GuocoLand")

(a) GuocoLand Limited Executives' Share Option Scheme 2008 ("GuocoLand ESOS 2008")

The GuocoLand ESOS 2008 was approved by the shareholders of GuocoLand on 17 October 2008 and further approved by the shareholders of the Company pursuant to Chapter 17 of the Listing Rules on 21 November 2008. Under the GuocoLand ESOS 2008, options may be granted over newly issued and/or existing shares of GuocoLand to eligible participants including employees and executive directors of GuocoLand and its subsidiaries (collectively the "GuocoLand Group") who are not GuocoLand's controlling shareholders or their associates.

Pursuant to the provisions of the GuocoLand ESOS 2008, the GuocoLand ESOS 2008 expired on 20 November 2018. The expiration of the GuocoLand ESOS 2008 would not affect the options which were granted thereunder and remain unexercised on such expiration and option holders would still be able to exercise such options under the GuocoLand ESOS 2008 pursuant to the terms of grant thereof.

Details of the outstanding options granted under the GuocoLand ESOS 2008 during the six months ended 31 December 2020 are as follows:

Grantees	Date of grant	No. of GuocoLand shares comprised in options				As at 31 Dec 2020	Notes	Exercise price per GuocoLand share
		As at 1 Jul 2020	Granted during the six months	Exercised during the six months	Lapsed during the six months			
<b>Executive director</b>								
Choong Yee How	8 December 2017	20,000,000	-	-	-	20,000,000	1&2	S\$1.984
<b>Other employees</b>								
	8 December 2017	17,900,000	-	-	-	17,900,000	2	S\$1.984
	<b>Total</b>	<b>37,900,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,900,000</b>		

Notes:

- The board of directors of GuocoLand resolved that the exercise of the option in respect of 20,000,000 GuocoLand shares granted to Mr. Choong Yee How would be satisfied by the transfer of existing GuocoLand shares. Such option is not subject to Chapter 17 of the Listing Rules.
- Each option, shall be exercisable, in whole or in part, subject to vesting conditional on certain performance targets being met following the end of the performance period concluding in the financial year 2018/19 and 2020/21. The options may be exercisable and valid up to 30 months from the date of vesting.

OTHER INFORMATION

**SHARE OPTIONS (cont'd)**

**GuocoLand Limited ("GuocoLand") (cont'd)**

(b) GuocoLand Limited Executive Share Scheme 2018 ("GuocoLand ESS 2018")

The GuocoLand ESS 2018 was approved by the shareholders of GuocoLand on 25 October 2018 and further approved by the shareholders of the Company pursuant to Chapter 17 of the Listing Rules on 12 December 2018. Under the GuocoLand ESS 2018, options over newly issued and/or existing GuocoLand shares may be granted or free GuocoLand shares may be awarded to eligible participants including directors and executives of the GuocoLand Group. GuocoLand's non-executive directors, controlling shareholders and their associates, and the directors and employees of GuocoLand's controlling shareholders, associated companies, holding company and its subsidiaries (excluding the GuocoLand Group) are not eligible to participate in the GuocoLand ESS 2018.

No option had been granted pursuant to the GuocoLand ESS 2018 during the six months ended 31 December 2020.

**GL Limited ("GL")**

(a) GL Limited Executives' Share Option Scheme 2008 ("GL ESOS 2008")

GL ESOS 2008 was approved by the shareholders of GL on 17 October 2008 and by the shareholders of the Company on 21 November 2008 for the purpose of compliance with Chapter 17 of the Listing Rules. The GL ESOS 2008 allows the grant of options over newly issued and/or existing shares of GL to confirmed employees (including executive directors) of GL and its subsidiaries (collectively "GL Group"). Non-executive directors of GL, directors and employees of associated companies of GL, and directors and employees of and GL's controlling shareholders or their associates are not eligible to participate in GL ESOS 2008.

Pursuant to the provisions of GL ESOS 2008, the GL ESOS 2008 expired on 20 November 2018 but its expiration did not affect the options which were granted thereunder and remain unexercised on such expiration date.

Details of the options outstanding under GL ESOS 2008 during the six months ended 31 December 2020 are as follows:

Grantees	Date of grant	No. of GL shares comprised in options				As at 31 Dec 2020	Note	Exercise price per GL share
		As at 1 Jul 2020	Granted during the six months	Exercised during the six months	Lapsed during the six months			
Eligible employees	3 April 2018	6,250,000	-	-	6,250,000	-	1	S\$0.741
	<b>Total</b>	<b>6,250,000</b>	<b>-</b>	<b>-</b>	<b>6,250,000</b>	<b>-</b>		

Note:

- On 26 August 2020, the board of directors of GL on the recommendation of GL's remuneration committee confirmed that the performance targets for the relevant options were not met and, accordingly, the share options did not vest.

## OTHER INFORMATION

**SHARE OPTIONS (cont'd)****GL Limited ("GL") (cont'd)**

## (b) GL Limited Executives' Share Scheme 2018 ("GL ESS 2018")

The GL ESS 2018 was approved by the shareholders of GL on 25 October 2018, and by the shareholders of the Company pursuant to Chapter 17 of the Listing Rules on 12 December 2018. Under the GL ESS 2018, options over newly issued and/or existing GL shares may be granted or fully paid-up GL shares may be awarded to eligible participants including executive directors and executives of the GL Group. GL's non-executive director and, controlling shareholders and their respective associates, as well as the directors and employees of GL's controlling shareholders, associated companies, holding company and its subsidiaries (excluding the GL Group), are not eligible to participate in GL ESS 2018.

No option had been granted pursuant to GL ESS 2018 during the six months ended 31 December 2020.

**GuocoLand (Malaysia) Berhad ("GLM")**

## Executive Share Scheme (the "GLM ESS")

The Executive Share Option Scheme of GLM (the "GLM ESOS") was approved by the shareholders of GLM on 11 October 2011 and further approved by the shareholders of the Company pursuant to Chapter 17 of the Listing Rules on 25 November 2011. The GLM ESOS which took effect on 21 March 2012 allows the grant of options over newly issued and/or existing shares of GLM to eligible executives including executives and/or directors of GLM and its subsidiaries. It provides an opportunity for the eligible participants who have contributed to the growth and development of the GLM and its subsidiaries to participate in the equity of GLM.

The shareholders of GLM and the Company had subsequently on 21 October 2013 and 19 November 2013 respectively, approved the amendments to the Bye-Laws of the GLM ESOS to incorporate an executive share grant scheme (the "GLM ESGS"). While the GLM ESGS is not subject to Chapter 17 of the Listing Rules, the GLM ESOS remains in compliance with the said Listing Rules. The GLM ESGS together with the GLM ESOS have been combined and renamed as the GLM ESS.

Details of the options outstanding under the GLM ESS during the six months ended 31 December 2020 are as follows:

Grantees	Date of grant	No. of GLM shares comprised in options				As at 31 Dec 2020	Notes	Exercise price per GLM share
		As at 1 Jul 2020	Granted during the six months	Exercised during the six months	Lapsed during the six months			
Eligible participants	11 December 2017	18,000,000	-	-	-	18,000,000	1&2	RM1.16
	Total	18,000,000	-	-	-	18,000,000		

## Notes:

- The board of directors of GLM resolved that the exercise of the options in respect of all the 18,000,000 GLM shares would be satisfied by the transfer of existing GLM shares. Such options are not subject to Chapter 17 of the Listing Rules.
- The vesting of the options granted is subject to the achievement of certain performance criteria by the grantees over two performance periods concluding in the financial years ended/ending 30 June 2019 and 30 June 2021 respectively. The exercise period of the vested options will be up to the 30th month from the respective vesting dates to be determined.

## OTHER INFORMATION

### SHARE OPTIONS (cont'd)

#### The Rank Group Plc ("Rank")

The 2020 Long-Term Incentive Plan ("2020 LTIP")

The 2020 LTIP was approved by the shareholders of the Company pursuant to Chapter 17 of the Listing Rules on 6 November 2020 and by the shareholders of Rank on 11 November 2020 (the "2020 LTIP Effective Date"). The 2020 LTIP provides for a scheme in compliance with the applicable law in the United Kingdom ("UK") for granting awards including conditional awards and/or options to Rank's employees including executive directors. The vesting/exercise of the awards would entitle the participants to be issued new Rank shares or to be transferred Rank shares in issue pursuant to the terms and conditions of the 2020 LTIP.

Since the 2020 LTIP Effective Date up to 31 December 2020, no option had been granted pursuant to the 2020 LTIP.

### INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

As at 31 December 2020, other than the interests and short positions of the directors of the Company disclosed above, the persons who had interests or short positions in the shares and underlying shares of 5% or more in the Company's issued share capital as recorded in the register maintained by the Company under Section 336 of the SFO are as follows:

Shareholders	Capacity	Number of shares/ underlying shares	Notes	Approx. % of the issued share capital of the Company
Quek Leng Chan ("QLC")	Personal interests	1,056,325 (Long Position)	1	76.06%
	Interest of controlled corporations	249,225,792 (Long Position)		
	Total interests	250,282,117		
Hong Leong Company (Malaysia) Berhad ("HLCM")	Interest of controlled corporations	248,625,792 (Long Position)	2 & 3	75.55%
HL Holdings Sdn Bhd ("HLH")	Interest of controlled corporations	248,625,792 (Long Position)	3 & 4	75.55%
Hong Leong Investment Holdings Pte Ltd ("HLInv")	Interest of controlled corporations	248,625,792 (Long Position)	3 & 5	75.55%
Davos Investment Holdings Private Limited ("Davos")	Interest of controlled corporations	248,625,792 (Long Position)	3 & 6	75.55%
Kwek Leng Kee ("KLK")	Interest of controlled corporations	248,625,792 (Long Position)	3 & 7	75.55%
Elliott Investment Management GP LLC ("EIM")	Investment Manager	31,998,716 (Long Position)	8	9.72%
Elliott International Special GP, LLC ("EIS")	Interest of controlled corporations	21,759,127 (Long Position)	9	6.61%
First Eagle Investment Management, LLC ("FEIM")	Investment Manager	26,849,466 (Long Position)	10	8.16%
Credit Suisse Group AG ("CS")	Interest of controlled corporations	20,197,610 (Long Position)	11	6.14%
		20,178,610 (Short Position)		6.13%

## OTHER INFORMATION

## INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS (cont'd)

Notes:

1. The interest of controlled corporations of QLC comprised 242,008,117 ordinary shares of the Company and 8,274,000 underlying shares of other unlisted cash settled derivatives, and were directly held by:

	Number of shares/underlying shares
GuoLine Overseas Limited ("GOL")	236,524,930
GuoLine (Singapore) Pte Ltd ("GSL")	8,274,000
Asian Financial Common Wealth (PTC) Limited ("AFCW")	3,826,862
Chaghese Limited ("CL")	600,000

AFCW was wholly owned by Guoco Management Company Limited which in turn was wholly owned by the Company. The Company was 71.88% owned by GOL. GOL and GSL were wholly owned by GuoLine Capital Assets Limited ("GCAL"). GCAL was wholly owned by HLCM. HLCM was 49.11% owned by QLC as to 2.43% under his personal name and 46.68% via HLH which was wholly owned by him. CL was wholly owned by QLC.

2. The interests of HLCM comprised 240,351,792 ordinary shares of the Company and 8,274,000 underlying shares of other unlisted cash settled derivatives, and were directly held by GOL, GSL and AFCW as set out in Note 1 above.
3. The interests of HLCM, HLH, HLIInv, Davos and KLK are duplicated.
4. HLH was deemed to be interested in these interests through its controlling interests of 46.68% in HLCM as set out in Notes 1 and 2 above.
5. HLIInv was deemed to be interested in these interests through its controlling interests of 34.49% in HLCM.
6. Davos was deemed to be interested in these interests through its controlling interests of 33.59% in HLIInv.
7. KLK was deemed to be interested in these interests through his controlling interests of 41.92% in Davos.
8. EIM was deemed to be interested in these interests comprising 21,759,127 shares held by Elliott International, L.P. ("EILP") and 10,239,589 shares held by The Liverpool Limited Partnership. EIM controls 100% of Elliott Investment Management L.P. which has investment discretion with respect to all those shares.
9. EIS was deemed to be interested in these interests comprising 21,759,127 shares held by EILP. EILP was 100% controlled by Hambleton, Inc. which in turn was controlled by EIS for these purposes.
10. FEIM was deemed to be interested in these interests held by various management accounts and funds controlled by it.
11. Among these interests, 15,000 shares (long position) are directly held by Credit Suisse (Hong Kong) Limited. 1,000 shares (long position) and 1,000 shares (short position) are directly held by Credit Suisse Securities (Europe) Limited. 20,146,610 shares (long position) and 20,146,610 shares (short position) are directly held by Credit Suisse Securities (USA) LLC. 35,000 shares (long position) and 31,000 shares (short position) are directly held by Credit Suisse AG. All the above companies are direct/indirect wholly owned subsidiaries of CS. CS is therefore deemed to be interested in these interests.

Save as disclosed above, as at 31 December 2020, the Company had not been notified by any person (other than the directors of the Company) who had interests or short positions in the shares or underlying shares of the Company of 5% or more which should be disclosed pursuant to the Part XV of the SFO or as recorded in the register maintained by the Company under Section 336 of the SFO.

## CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2020 – Unaudited

	Note	2020 US\$'000	2019 US\$'000	2020 HK\$'000 (Note 21)	2019 HK\$'000 (Note 21)
Turnover	3 & 4	<b>776,111</b>	1,262,104	<b>6,015,714</b>	9,828,256
Revenue	3 & 4	<b>590,958</b>	1,173,305	<b>4,580,575</b>	9,136,761
Cost of sales		<b>(356,998)</b>	(608,285)	<b>(2,767,127)</b>	(4,736,837)
Other attributable costs		<b>(32,241)</b>	(43,593)	<b>(249,903)</b>	(339,467)
		<b>201,719</b>	521,427	<b>1,563,545</b>	4,060,457
Other revenue	5(a)	<b>78,573</b>	18,630	<b>609,027</b>	145,076
Other net income/(losses)	5(b)	<b>77,176</b>	(18,670)	<b>598,199</b>	(145,387)
Administrative and other operating expenses		<b>(256,432)</b>	(274,639)	<b>(1,987,630)</b>	(2,138,669)
Profit from operations before finance costs		<b>101,036</b>	246,748	<b>783,141</b>	1,921,477
Finance costs	3(b) & 6(a)	<b>(68,715)</b>	(81,278)	<b>(532,617)</b>	(632,928)
Profit from operations		<b>32,321</b>	165,470	<b>250,524</b>	1,288,549
Share of profits of associates and joint ventures		<b>73,572</b>	64,845	<b>570,264</b>	504,961
Profit for the period before taxation	3 & 6	<b>105,893</b>	230,315	<b>820,788</b>	1,793,510
Tax expenses	7	<b>(12,523)</b>	(44,446)	<b>(97,067)</b>	(346,110)
Profit for the period		<b>93,370</b>	185,869	<b>723,721</b>	1,447,400
Attributable to:					
Equity shareholders of the Company		<b>130,422</b>	138,133	<b>1,010,915</b>	1,075,670
Non-controlling interests		<b>(37,052)</b>	47,736	<b>(287,194)</b>	371,730
Profit for the period		<b>93,370</b>	185,869	<b>723,721</b>	1,447,400
		<b>US\$</b>	US\$	<b>HK\$</b>	HK\$
Earnings per share					
Basic	9	<b>0.40</b>	0.42	<b>3.11</b>	3.31
Diluted	9	<b>0.40</b>	0.42	<b>3.11</b>	3.31

The notes on pages 27 to 42 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company attributable to the profit for the period are set out in note 8.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2020 – Unaudited

	2020 US\$'000	2019 US\$'000	2020 HK\$'000 (Note 21)	2019 HK\$'000 (Note 21)
<b>Profit for the period</b>	<b>93,370</b>	185,869	<b>723,721</b>	1,447,400
<b>Other comprehensive income for the period (after tax and reclassification adjustments)</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
Equity investments at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserve (non-recycling)	<b>(6,558)</b>	(244,460)	<b>(50,832)</b>	(1,903,659)
Actuarial gains on defined benefit obligation	<b>153</b>	–	<b>1,186</b>	–
	<b>(6,405)</b>	(244,460)	<b>(49,646)</b>	(1,903,659)
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Exchange translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	<b>504,600</b>	73,456	<b>3,911,205</b>	572,017
Changes in fair value of cash flow hedge	<b>(2,570)</b>	3,464	<b>(19,920)</b>	26,975
Changes in fair value on net investment hedge	<b>(8,004)</b>	3,073	<b>(62,040)</b>	23,930
Share of other comprehensive income of associates	<b>2,937</b>	(9,028)	<b>22,765</b>	(70,303)
	<b>496,963</b>	70,965	<b>3,852,010</b>	552,619
<b>Other comprehensive income for the period, net of tax</b>	<b>490,558</b>	(173,495)	<b>3,802,364</b>	(1,351,040)
<b>Total comprehensive income for the period</b>	<b>583,928</b>	12,374	<b>4,526,085</b>	96,360
<b>Total comprehensive income for the period attributable to:</b>				
Equity shareholders of the Company	<b>453,088</b>	(60,745)	<b>3,511,931</b>	(473,032)
Non-controlling interests	<b>130,840</b>	73,119	<b>1,014,154</b>	569,392
	<b>583,928</b>	12,374	<b>4,526,085</b>	96,360

The notes on pages 27 to 42 form part of this interim financial report.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

		At 31 December 2020 (Unaudited) US\$'000	At 30 June 2020 (Audited) US\$'000	At 31 December 2020 (Unaudited) HK\$'000 (Note 21)	At 30 June 2020 (Audited) HK\$'000 (Note 21)
	Notes				
<b>NON-CURRENT ASSETS</b>					
Investment properties		3,831,431	3,687,736	29,697,805	28,580,323
Other property, plant and equipment	10	1,751,991	1,629,915	13,579,857	12,632,004
Right-of-use assets		773,592	708,722	5,996,189	5,492,666
Interests in associates and joint ventures		1,743,257	1,579,687	13,512,159	12,242,732
Equity investments at FVOCI	11	1,154,089	1,166,364	8,945,459	9,039,438
Deferred tax assets		75,839	56,830	587,836	440,438
Intangible assets		1,057,148	959,272	8,194,060	7,434,454
Goodwill		410,647	367,756	3,182,966	2,850,146
Pensions surplus		6,838	6,182	53,002	47,911
		<b>10,804,832</b>	10,162,464	<b>83,749,333</b>	78,760,112
<b>CURRENT ASSETS</b>					
Development properties	12	2,918,084	2,639,370	22,618,361	20,455,381
Properties held for sale		335,376	352,887	2,599,533	2,734,910
Inventories		67,015	61,191	519,440	474,236
Contract assets		20,731	29,186	160,688	226,194
Trade and other receivables	13	174,253	270,799	1,350,652	2,098,719
Tax recoverable		7,277	1,856	56,405	14,384
Trading financial assets		1,235,559	1,242,924	9,576,941	9,632,785
Cash and short term funds		1,672,549	1,606,407	12,964,095	12,449,815
Assets held for sale		15,379	56,468	119,204	437,633
		<b>6,446,223</b>	6,261,088	<b>49,965,319</b>	48,524,057
<b>CURRENT LIABILITIES</b>					
Contract liabilities		13,457	14,446	104,307	111,958
Trade and other payables	14	620,284	544,400	4,807,883	4,219,155
Bank loans and other borrowings	15	793,500	982,404	6,150,498	7,613,729
Taxation		48,122	48,875	372,998	378,786
Provisions and other liabilities		17,272	31,804	133,877	246,484
Lease liabilities		77,905	69,286	603,849	536,973
Liabilities held for sale		464	-	3,597	-
		<b>1,571,004</b>	1,691,215	<b>12,177,009</b>	13,107,085
<b>NET CURRENT ASSETS</b>					
		<b>4,875,219</b>	4,569,873	<b>37,788,310</b>	35,416,972
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<b>15,680,051</b>	14,732,337	<b>121,537,643</b>	114,177,084

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	Notes	At 31 December 2020 (Unaudited) US\$'000	At 30 June 2020 (Audited) US\$'000	At 31 December 2020 (Unaudited) HK\$'000 (Note 21)	At 30 June 2020 (Audited) HK\$'000 (Note 21)
<b>NON-CURRENT LIABILITIES</b>					
Bank loans and other borrowings	15	4,119,117	3,824,933	31,927,688	29,643,613
Amount due to non-controlling interests		353,563	336,585	2,740,502	2,608,567
Provisions and other liabilities		29,166	14,064	226,069	108,997
Deferred tax liabilities		71,059	73,041	550,785	566,075
Lease liabilities		1,024,030	933,319	7,937,359	7,233,316
		<b>5,596,935</b>	5,181,942	<b>43,382,403</b>	40,160,568
<b>NET ASSETS</b>					
		<b>10,083,116</b>	9,550,395	<b>78,155,240</b>	74,016,516
<b>CAPITAL AND RESERVES</b>					
Share capital	16	164,526	164,526	1,275,257	1,275,093
Reserves		7,461,513	7,076,795	57,834,933	54,845,869
Total equity attributable to equity shareholders of the Company		<b>7,626,039</b>	7,241,321	<b>59,110,190</b>	56,120,962
Non-controlling interests		<b>2,457,077</b>	2,309,074	<b>19,045,050</b>	17,895,554
<b>TOTAL EQUITY</b>		<b>10,083,116</b>	9,550,395	<b>78,155,240</b>	74,016,516

The notes on pages 27 to 42 form part of this interim financial report.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2020 – Unaudited

	Attributable to equity shareholders of the Company											Non-controlling interests	Total equity	
	Share capital	Share premium	Capital and other reserves	Contributed surplus	ESOS reserve	Share option reserve	Exchange translation reserve	Fair value reserve	Hedging reserve	Revaluation reserve	Retained profits			Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 July 2020	164,526	10,493	(76,423)	2,806	(39,017)	3,160	(554,492)	(407,430)	(6,284)	46,692	8,097,290	7,241,321	2,309,074	9,550,395
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	130,422	130,422	(37,052)	93,370
Exchange translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	-	333,262	-	-	-	-	333,262	171,338	504,600
Changes in fair value of cash flow hedge	-	-	-	-	-	-	-	-	(1,714)	-	-	(1,714)	(856)	(2,570)
Changes in fair value of equity investments at FVOCI	-	-	-	-	-	-	-	(6,558)	-	-	-	(6,558)	-	(6,558)
Changes in fair value on net investment hedge	-	-	-	-	-	-	-	-	(5,340)	-	-	(5,340)	(2,664)	(8,004)
Transfer upon disposal of equity investments at FVOCI	-	-	-	-	-	-	-	(3,156)	-	-	3,156	-	-	-
Actuarial gains on defined benefit obligation	-	-	-	-	-	-	-	-	-	-	79	79	74	153
Share of other comprehensive income of associates	-	-	1,088	-	-	-	(1,583)	2,042	43	-	1,347	2,937	-	2,937
Total comprehensive income for the period	-	-	1,088	-	-	-	331,679	(7,672)	(7,011)	-	135,004	453,088	130,840	583,928
Transfer between reserves	-	-	(17,167)	-	-	-	-	-	-	-	17,167	-	-	-
Equity-settled share-based transactions	-	-	-	-	-	1,248	-	-	-	-	-	1,248	979	2,227
Acquisition of additional interests in subsidiaries	-	-	(638)	-	-	-	(8)	-	(8)	-	1,135	481	(6,106)	(5,625)
Share placing of a subsidiary	-	-	(1,411)	-	-	-	1,519	-	-	-	-	108	44,586	44,694
Distribution payment for perpetual securities	-	-	-	-	-	-	-	-	-	-	-	-	(6,943)	(6,943)
Accrued distribution for perpetual securities	-	-	-	-	-	-	-	-	-	-	(7,271)	(7,271)	7,271	-
Dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(22,624)	(22,624)
Final dividend paid in respect of the prior year	-	-	-	-	-	-	-	-	-	-	(62,936)	(62,936)	-	(62,936)
At 31 December 2020	164,526	10,493	(94,551)	2,806	(39,017)	4,408	(221,302)	(415,102)	(13,303)	46,692	8,180,389	7,626,039	2,457,077	10,083,116

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2020 – Unaudited

	Attributable to equity shareholders of the Company												Non-controlling interests	Total equity
	Share capital	Share premium	Capital and other reserves	Contributed surplus	ESOS reserve	Share option reserve	Exchange translation reserve	Fair value reserve	Hedging reserve	Revaluation reserve	Retained profits	Total		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 July 2019	164,526	10,493	(70,589)	2,806	(39,017)	2,152	(425,642)	(189,884)	(5,278)	51,342	8,348,945	7,849,854	2,375,999	10,225,853
Profit for the period	-	-	-	-	-	-	-	-	-	-	138,133	138,133	47,736	185,869
Exchange translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	-	50,321	-	-	-	-	50,321	23,135	73,456
Changes in fair value of cash flow hedge	-	-	-	-	-	-	-	-	2,297	-	-	2,297	1,167	3,464
Changes in fair value of equity investments at FVOCI	-	-	-	-	-	-	-	(244,460)	-	-	-	(244,460)	-	(244,460)
Changes in fair value on net investment hedge	-	-	-	-	-	-	-	-	1,992	-	-	1,992	1,081	3,073
Share of other comprehensive income of associates	-	-	(3,370)	-	-	-	(5,220)	(194)	-	-	(244)	(9,028)	-	(9,028)
Total comprehensive income for the period	-	-	(3,370)	-	-	-	45,101	(244,654)	4,289	-	137,889	(60,745)	73,119	12,374
Transfer between reserves	-	-	5,265	-	-	-	-	-	-	-	(5,265)	-	-	-
Equity-settled share-based transactions	-	-	-	-	-	1,067	-	-	-	-	-	1,067	899	1,966
Capital contribution from non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	14,527	14,527
Capitalisation of shareholders' loan from non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	37,150	37,150
Acquisition of additional interests in subsidiaries	-	-	(57)	-	-	57	(1,132)	-	19	98	21,962	20,947	(55,424)	(34,477)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	269	269
Distribution payment for perpetual securities	-	-	-	-	-	-	-	-	-	-	-	-	(6,780)	(6,780)
Accrued distribution for perpetual securities	-	-	-	-	-	-	-	-	-	-	(7,093)	(7,093)	7,093	-
Dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(36,944)	(36,944)
Final dividend paid in respect of the prior year	-	-	-	-	-	-	-	-	-	-	(124,620)	(124,620)	-	(124,620)
At 31 December 2019	164,526	10,493	(68,751)	2,806	(39,017)	3,276	(381,673)	(434,538)	(970)	51,440	8,371,818	7,679,410	2,409,908	10,089,318

The notes on pages 27 to 42 form part of this interim financial report.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2020 – Unaudited

	2020 US\$'000	2019 US\$'000
Net cash generated from/(used in) operating activities	242,626	(343,773)
Net cash generated from/(used in) investing activities	174,005	(227,479)
Net cash (used in)/generated from financing activities	(410,461)	405,686
Net increase/(decrease) in cash and cash equivalents	6,170	(165,566)
Cash and cash equivalents at 1 July	1,598,247	1,611,452
Effect of foreign exchange rate changes	47,379	(6,825)
Cash and cash equivalents at 31 December	1,651,796	1,439,061
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash and short term funds in the consolidated statement of financial position	1,672,549	1,652,834
Cash collaterals	(7,258)	(7,773)
Fixed deposits with maturity over three months	-	(206,000)
Bank overdraft	(13,495)	-
Cash and cash equivalents in the condensed consolidated statement of cash flows	1,651,796	1,439,061

The notes on pages 27 to 42 form part of this interim financial report.

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

### 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 2019/20 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020/21 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 2019/20 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 2020 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 2020 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 15 September 2020.

### 2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKFRS 3, *Definition of a Business*
- Amendment to HKFRS 16, *COVID 19 – Related Rent Concessions*

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.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**

**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 the six months ended 31 December 2020 or 2019.

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 2019/20.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**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 US\$'000	Property development and investment US\$'000	Hospitality and leisure US\$'000	Financial services US\$'000	Others US\$'000	Total US\$'000
<b>For the six months ended 31 December 2020</b>						
Turnover	239,319	243,257	253,360	-	40,175	776,111
Disaggregated by timing of revenue						
- Point in time	54,166	70,741	253,360	-	40,175	418,442
- Over time	-	172,516	-	-	-	172,516
Revenue from external customers	54,166	243,257	253,360	-	40,175	590,958
Inter-segment revenue	834	1,124	-	-	-	1,958
Reportable segment revenue	55,000	244,381	253,360	-	40,175	592,916
Reportable segment operating profit/(loss)	106,294	69,374	(82,734)	-	8,897	101,831
Finance costs	(4,422)	(27,735)	(35,920)	-	(1,433)	(69,510)
Share of profits of associates and joint ventures	-	5,178	-	68,394	-	73,572
Profit/(loss) before taxation	101,872	46,817	(118,654)	68,394	7,464	105,893
<b>For the six months ended 31 December 2019</b>						
Turnover	120,948	403,048	704,830	-	33,278	1,262,104
Disaggregated by timing of revenue						
- Point in time	32,149	61,418	704,830	-	33,278	831,675
- Over time	-	341,630	-	-	-	341,630
Revenue from external customers	32,149	403,048	704,830	-	33,278	1,173,305
Inter-segment revenue	3,107	1,317	-	-	-	4,424
Reportable segment revenue	35,256	404,365	704,830	-	33,278	1,177,729
Reportable segment operating profit	5,200	105,510	122,978	-	16,167	249,855
Finance costs	(9,513)	(33,494)	(37,943)	-	(3,435)	(84,385)
Share of profits of associates and joint ventures	-	4,332	-	60,513	-	64,845
(Loss)/profit before taxation	(4,313)	76,348	85,035	60,513	12,732	230,315

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

3. SEGMENT REPORTING (cont'd)

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

Revenue

	Six months ended 31 December	
	2020	2019
	US\$'000	US\$'000
Reportable segment revenue	592,916	1,177,729
Elimination of inter-segment revenue	(1,958)	(4,424)
Consolidated revenue (Note 4)	590,958	1,173,305

Finance costs

	Six months ended 31 December	
	2020	2019
	US\$'000	US\$'000
Reportable finance costs	69,510	84,385
Elimination of inter-segment finance costs	(795)	(3,107)
Consolidated finance costs (Note 6(a))	68,715	81,278

4. TURNOVER AND REVENUE

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

	Six months ended 31 December	
	2020	2019
	(Unaudited)	(Unaudited)
	US\$'000	US\$'000
Revenue from sale of properties	188,096	345,770
Revenue from hospitality and leisure	252,872	703,721
Interest income	8,602	20,946
Dividend income	52,031	20,697
Rental income from properties	43,545	45,519
Revenue from sales of goods	40,174	33,277
Others	5,638	3,375
Revenue	590,958	1,173,305
Proceeds from sale of investments in securities	185,153	88,799
Turnover	776,111	1,262,104

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**5. OTHER REVENUE AND NET INCOME/(LOSSES)****(a) Other revenue**

	Six months ended 31 December	
	2020 (Unaudited) US\$'000	2019 (Unaudited) US\$'000
Sublease income	2,491	2,393
Bass Strait oil and gas royalty	10,053	15,276
Hotel management fee	54	301
Income from forfeiture of deposit from sale of properties	1,030	400
Government grant	45,674	-
Hotel business interruption insurance claim	19,101	-
Others	170	260
	<b>78,573</b>	18,630

**(b) Other net income/(losses)**

	Six months ended 31 December	
	2020 (Unaudited) US\$'000	2019 (Unaudited) US\$'000
Net realised and unrealised gains/(losses) on trading financial assets	60,868	(12,913)
Net realised and unrealised gains/(losses) on derivative financial instruments	4,991	(501)
Net losses on foreign exchange contracts	(7,340)	(14,578)
Other exchange gains	11,020	7,720
Net gains on disposal of property, plant and equipment	-	33
Net gain on disposal of an investment property	5,054	-
Other income	2,583	1,569
	<b>77,176</b>	(18,670)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**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	
	2020 (Unaudited) US\$'000	2019 (Unaudited) US\$'000
Interest on bank loans and other borrowings	72,812	83,477
Interest on lease liabilities	24,499	24,967
Other borrowing costs	3,194	4,784
<b>Total borrowing costs</b>	<b>100,505</b>	113,228
Less: borrowing costs capitalised into:		
- development properties	(14,784)	(14,313)
- investment properties	(17,006)	(17,637)
<b>Total borrowing costs capitalised (Note)</b>	<b>(31,790)</b>	(31,950)
	<b>68,715</b>	81,278

Note:

These borrowing costs have been capitalised at rates of 1.01% to 5.00% per annum (2019: 1.81% to 4.37%).

(b) Staff cost

	Six months ended 31 December	
	2020 (Unaudited) US\$'000	2019 (Unaudited) US\$'000
Salaries, wages and other benefits	169,571	202,792
Contributions to defined contribution retirement plans	5,754	6,671
Expenses recognised in respect of defined benefit retirement plans	87	79
Equity-settled share-based payment expenses	2,356	2,254
	<b>177,768</b>	211,796

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**6. PROFIT FOR THE PERIOD BEFORE TAXATION (cont'd)****(c) Other items**

	Six months ended 31 December	
	2020 (Unaudited) US\$'000	2019 (Unaudited) US\$'000
Depreciation		
– other property, plant and equipment	<b>37,419</b>	39,136
– right-of-use assets	<b>21,385</b>	25,022
Amortisation		
– customer relationship, licences and brand names	<b>6,813</b>	4,648
– casino licences and brand names	<b>118</b>	757
– Bass Strait oil and gas royalty	<b>1,571</b>	1,469
– other intangible assets	<b>14,934</b>	6,737
Gross rental income from investment properties	<b>(43,545)</b>	(45,519)
Less: direct outgoings	<b>10,918</b>	11,667
Net rental income	<b>(32,627)</b>	(33,852)

**7. TAX EXPENSES**

Taxation in the consolidated income statement represents:

	Six months ended 31 December	
	2020 (Unaudited) US\$'000	2019 (Unaudited) US\$'000
Current tax – Hong Kong Profits Tax	<b>223</b>	331
Current tax – Overseas	<b>35,802</b>	21,081
Deferred tax	<b>(23,502)</b>	23,034
	<b>12,523</b>	44,446

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2019: 16.5%) to the profits for the six months ended 31 December 2020. 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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**8. DIVIDENDS**

	Six months ended 31 December 2020 (Unaudited) US\$'000	2019 (Unaudited) US\$'000
Dividends payable/paid in respect of the current year:		
– Interim dividend declared of HK\$0.50 (2019: HK\$1.00) per ordinary share	<b>21,226</b>	42,255
Dividends paid in respect of the prior year:		
– Final dividend of HK\$1.50 (2019: HK\$3.00) per ordinary share	<b>63,678</b>	124,620

The interim dividend declared for the year ending 30 June 2021 of US\$21,226,000 (2020: US\$42,255,000) is calculated based on 329,051,373 ordinary shares (2019: 329,051,373 ordinary shares) in issue at 31 December 2020.

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 was based on the profits attributable to equity shareholders of the Company of US\$130,422,000 (2019: US\$138,133,000) and the weighted average number of 325,224,511 ordinary shares (2019: 325,224,511 ordinary shares) in issue during the period.

**(b) Diluted earnings per share**

For the six months ended 31 December 2020 and 2019, the diluted earnings per share equalled the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the periods.

**10. OTHER PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 31 December 2020, the Group acquired items of property, plant and equipment with a cost of US\$10,275,000 (2019: US\$33,513,000). The Group disposed of items of property, plant and equipment with a net book value of US\$1,047,000 (2019: US\$446,000) during the six months ended 31 December 2020.

**11. EQUITY INVESTMENTS AT FVOCI**

During the six months ended 31 December 2020, the Group disposed an equity investment at FVOCI with a fair value of US\$8,015,000 as a result of completion of its direct listing. The gain on disposal of US\$3,156,000 which had already been included in other comprehensive income was transferred to retained profits.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**12. DEVELOPMENT PROPERTIES**

	At 31 December 2020 (Unaudited) US\$'000	At 30 June 2020 (Audited) US\$'000
Cost	<b>3,431,115</b>	3,069,751
Less: Progress instalments received and receivable	<b>(475,700)</b>	(401,498)
Write down of development properties	<b>(34,719)</b>	(28,883)
Transfer to assets held for sale	<b>(2,612)</b>	-
	<b>2,918,084</b>	2,639,370

**13. TRADE AND OTHER RECEIVABLES**

	At 31 December 2020 (Unaudited) US\$'000	At 30 June 2020 (Audited) US\$'000
Trade debtors	<b>68,971</b>	92,368
Other receivables, deposits and prepayments	<b>100,164</b>	168,191
Derivative financial instruments, at fair value	<b>4,154</b>	8,902
Interest receivables	<b>964</b>	1,338
	<b>174,253</b>	270,799

Included in the Group's trade and other receivables is US\$12.1 million (30 June 2020: US\$12.3 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 2020 (Unaudited) US\$'000	At 30 June 2020 (Audited) US\$'000
Within 1 month	<b>54,244</b>	82,223
1 to 3 months	<b>12,021</b>	5,819
More than 3 months	<b>2,706</b>	4,326
	<b>68,971</b>	92,368

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

14. TRADE AND OTHER PAYABLES

	At 31 December 2020 (Unaudited) US\$'000	At 30 June 2020 (Audited) US\$'000
Trade creditors	95,470	90,078
Other payables and accrued operating expenses	411,620	368,973
Derivative financial instruments, at fair value	106,524	80,300
Amounts due to fellow subsidiaries	6,636	4,970
Amounts due to associates and joint ventures	34	79
	<b>620,284</b>	544,400

Included in trade and other payables is US\$78.5 million (30 June 2020: US\$127.6 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 2020 (Unaudited) US\$'000	At 30 June 2020 (Audited) US\$'000
Within 1 month	53,015	63,628
1 to 3 months	13,943	14,644
More than 3 months	28,512	11,806
	<b>95,470</b>	90,078

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

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

## 15. BANK LOANS AND OTHER BORROWINGS

	At 31 December 2020 (Unaudited)			At 30 June 2020 (Audited)		
	Current portion US\$'000	Non-current portion US\$'000	Total US\$'000	Current portion US\$'000	Non-current portion US\$'000	Total US\$'000
Bank loans						
- Secured	189,774	2,880,423	3,070,197	244,237	2,726,186	2,970,423
- Unsecured	509,152	615,091	1,124,243	648,694	509,895	1,158,589
	<b>698,926</b>	<b>3,495,514</b>	<b>4,194,440</b>	892,931	3,236,081	4,129,012
Other loans						
- Unsecured	-	157	157	-	157	157
	-	157	157	-	157	157
Unsecured medium term notes and bonds	94,574	546,638	641,212	89,473	519,562	609,035
Secured mortgage debenture stock	-	76,808	76,808	-	69,133	69,133
	<b>793,500</b>	<b>4,119,117</b>	<b>4,912,617</b>	982,404	3,824,933	4,807,337

## 16. SHARE CAPITAL

	At 31 December 2020 (Unaudited)		At 30 June 2020 (Audited)	
	No. of shares '000	US\$'000	No. of shares '000	US\$'000
Authorised:				
Ordinary shares of US\$0.50 each	800,000	400,000	1,000,000	500,000
Issued and fully paid	329,051	164,526	329,051	164,526

## Note:

As at 31 December 2020, 3,826,862 (30 June 2020: 3,826,862) ordinary shares were acquired by the Group to reserve for the executive share option scheme for the purpose of satisfying the exercise of share options to be granted to eligible employees.

Pursuant to an ordinary resolution passed by the shareholders of the Company on 6 November 2020, the authorised share capital of the Company was diminished from US\$500,000,000 to US\$400,000,000 by cancelling 200,000,000 authorised but unissued shares of US\$0.50 each.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	At 31 December 2020 (Unaudited)				At 30 June 2020 (Audited)			
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
<b>Recurring fair value measurements</b>								
<b>Assets</b>								
Equity investment at FVOCI								
financial assets:								
- Listed	1,059,643	-	-	1,059,643	1,057,972	-	-	1,057,972
- Unlisted	-	46,097	48,349	94,446	-	46,103	62,289	108,392
Trading financial assets:								
- Listed	1,235,559	-	-	1,235,559	1,242,924	-	-	1,242,924
Derivative financial instruments:								
- Forward exchange contracts	-	302	-	302	-	6,129	-	6,129
- Equity swaps	-	3,852	-	3,852	-	2,773	-	2,773
	<b>2,295,202</b>	<b>50,251</b>	<b>48,349</b>	<b>2,393,802</b>	2,300,896	55,005	62,289	2,418,190
<b>Liabilities</b>								
Derivative financial instruments:								
- Interest rate swaps	-	72,573	-	72,573	-	73,353	-	73,353
- Forward exchange contracts	-	32,566	-	32,566	-	5,562	-	5,562
- Equity swaps	-	1,385	-	1,385	-	1,385	-	1,385
	<b>- 106,524</b>	<b>- 106,524</b>	<b>- 106,524</b>	<b>- 106,524</b>	- 80,300	- 80,300	- 80,300	- 80,300

During the six months ended 31 December 2020, there were no transfers between Level 1 and Level 2 (2019: nil).

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (cont'd)****(a) Financial assets and liabilities measured at fair value (cont'd)**

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of forward exchange contracts is determined based on quotes from market makers or alternative market participants supported by observable inputs including spot and forward exchange rates. The fair value of other derivative financial instruments is determined based on the amount that the Group would receive or pay to terminate the contracts with the independent counterparties at the end of the reporting period, taking into account current observable inputs. The fair value of the unlisted equity investment at FVOCI in Level 2 is determined using a valuation technique based on the net asset value approach, which takes into consideration the fair value of the underlying assets and liabilities of the unlisted equity investment at FVOCI. The assets held by the unlisted equity investment at FVOCI consist of a publicly traded investment in an active market which is reported at the market closing price.

Information about Level 3 fair value measurements

Other unlisted equity investment at FVOCI carried at fair value are categorised within Level 3 of the fair value hierarchy. The fair values are determined using a valuation technique or based on the net asset value approach, which takes into consideration the fair value of the underlying assets and liabilities of the investee fund.

The movements during the period in the balance of Level 3 fair value measurements are as follows:

	Six months ended	
	31 December	
	2020	2019
	(Unaudited)	(Unaudited)
	US\$'000	US\$'000
Unlisted equity investments at FVOCI:		
At 1 July	62,289	51,525
Net unrealised gains/(losses) recognised in other comprehensive income during the period	60,268	(3)
Addition	4,039	2,668
Cash distribution	(1,594)	(173)
Transfer out of Level 3	(68,634)	-
Settlement	(8,015)	-
Exchange adjustments	(4)	49
At 31 December	48,349	54,066

The net unrealised gains or losses arising from the remeasurement of the unlisted equity investments at FVOCI are recognised in fair value reserve (non-recycling) in other comprehensive income. Upon disposal of the equity investments, the amount accumulated in other comprehensive income is transferred directly to retained profits.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (cont'd)**

**(b) Fair value of financial assets and liabilities carried at other than fair value**

Other than for the mortgage debenture stock, the carrying amounts of the financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2020 and 30 June 2020.

Mortgage debenture stock is measured at fair value at initial recognition and thereafter for disclosure at the end of reporting period. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the government yield curve at the reporting date plus an adequate credit spread. The fair value of the mortgage debenture stock at 31 December 2020 is estimated to be US\$82.6 million (30 June 2020: US\$76.0 million) and is classified within Level 2 of the fair value hierarchy. The interest rate used to discount estimated cash flows at the reporting date was 1.24% (30 June 2020: 1.82%).

**18. CAPITAL COMMITMENTS OUTSTANDING NOT PROVIDED FOR IN THE FINANCIAL STATEMENTS**

	At 31 December 2020 (Unaudited) US\$'000	At 30 June 2020 (Audited) US\$'000
Authorised and contracted for	7,536	7,049
Authorised but not contracted for	17,414	46,741
	<b>24,950</b>	53,790

At 31 December 2020, the commitment in respect of development expenditure contracted but not provided for in the financial statements by the Group was US\$2,142.6 million (30 June 2020: US\$783.5 million).

**19. CONTINGENT LIABILITIES**

**(a) GuocoLand**

On 20 August 2015, GuocoLand, through its subsidiary, GuocoLand (China) Limited ("GLC"), entered into a Master Transaction Agreement (the "Agreement") to dispose of all the equity, contractual and loan interest of GLC in or relating to the Dongzhimen project in Beijing ("DZM Project"). The Agreement provides that the buyer will indemnify GLC, its affiliates and representatives from and against all actions, losses and liabilities to which any of these parties is or may become subject to arising out of or related to the DZM Project in accordance with the terms and conditions therein.

**(b) Rank**

Property leases

Rank has certain property arrangements under which rental payments revert to Rank in the event of default by the third party. At 31 December 2020, it is not considered probable that the third party will default. As such, no provision has been recognised in relation to these arrangements. If the third party was to default on these arrangements, the obligation for Rank would be GBP2.3 million (approximately US\$3.1 million) on a discounted basis.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

**20. MATERIAL RELATED PARTY TRANSACTIONS****(a) Banking transactions**

Transactions with companies in the Hong Leong Company (Malaysia) Berhad Group ("HLCM"):

During the period, the Group entered into a number of transactions in the normal course of business with companies in the HLCM group including deposits and correspondent banking transactions. The transactions were priced based on the relevant market rates at the time of each transaction, and were under the same terms as those available to the independent counterparties and customers.

Information relating to interest income from these transactions during the period and balance outstanding at the end of the reporting period is set out below:

**(i) Income**

	Six months ended 31 December 2020 (Unaudited) US\$'000	2019 (Unaudited) US\$'000
Interest income	290	703

**(ii) Balance**

	At 31 December 2020 (Unaudited) US\$'000	At 30 June 2020 (Audited) US\$'000
Deposits and short term funds	28,512	43,428

**(b) Management fee**

On 3 July 2020, the Company entered into a master agreement for services with GuoLine Group Management Company Pte. Ltd. ("GGMC"), a subsidiary of Hong Leong Company (Malaysia) Berhad ("HLCM", the ultimate holding company of the Company), for provision of management services by GGMC to the Company and its subsidiaries (excluding those subsidiaries incorporated, resident or having principal place of business in Malaysia (the "Malaysian Subsidiaries")) for three financial years from 1 July 2020 to 30 June 2023. Total amount paid or provided for in respect of management fees to GGMC for the six months ended 31 December 2020 amounted to US\$2,269,000 (2019: US\$4,886,000).

On 3 July 2020, the Company entered into a master agreement for services with HL Management Co Sdn Bhd ("HLMC"), a subsidiary of HLCM, for provision of management services by HLMC to the Malaysian Subsidiaries for three financial years from 1 July 2020 to 30 June 2023. Total amount paid or provided for in respect of management fees to HLMC for the six months ended 31 December 2020 amounted to US\$195,000 (2019: US\$80,000).

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

### **21. HONG KONG DOLLAR AMOUNTS**

The Hong Kong dollar figures shown in the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of financial position are for information only. The Company's functional currency is United States dollar. The Hong Kong dollar figures are translated from United States dollar at the rates ruling at the respective financial period ends.

### **22. REVIEW BY BOARD AUDIT AND RISK MANAGEMENT COMMITTEE**

The unaudited interim results for the six months ended 31 December 2020 have been reviewed by the Board Audit and Risk Management Committee of the Company. The information in these interim results does not constitute statutory accounts.