

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 2025

	Six months ended 31 December		Increase/ (Decrease)
	2025 HK\$'M	2024 HK\$'M	
Turnover	11,885	13,193	(10%)
Revenue	11,680	12,582	(7%)
Profit from operations	1,305	2,095	(38%)
Profit attributable to equity shareholders of the Company	2,027	1,789	13%
	HK\$	HK\$	
Earnings per share	6.23	5.50	13%
Interim dividend per share	0.70	0.60	17%
	As at 31 December 2025 HK\$	As at 30 June 2025 HK\$	
Equity per share attributable to equity shareholders of the Company	212.74	208.83	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 2025 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 2025 – Unaudited

	Note	2025 HK\$'000	2024 HK\$'000
Turnover	3 & 4	<u>11,885,291</u>	<u>13,193,378</u>
Revenue	3 & 4	11,679,664	12,581,625
Cost of sales		(6,509,559)	(7,470,125)
Other attributable costs		<u>(488,728)</u>	<u>(507,510)</u>
		4,681,377	4,603,990
Other revenue		165,820	167,700
Other net income	5	922,345	609,090
Administrative and other operating expenses		<u>(3,618,151)</u>	<u>(2,200,847)</u>
Profit from operations before finance costs		2,151,391	3,179,933
Finance costs	6(a)	<u>(846,219)</u>	<u>(1,084,666)</u>
Profit from operations		1,305,172	2,095,267
Net valuation deficit on investment properties		-	(300,484)
Share of profits of associates		826,144	760,508
Share of profits/(losses) of joint ventures		<u>36,966</u>	<u>(1,592)</u>
Profit for the period before taxation	3 & 6	2,168,282	2,553,699
Tax expenses	7	<u>(297,119)</u>	<u>(420,279)</u>
Profit for the period		<u>1,871,163</u>	<u>2,133,420</u>
Attributable to:			
Equity shareholders of the Company		2,026,522	1,788,912
Non-controlling interests		<u>(155,359)</u>	<u>344,508</u>
Profit for the period		<u>1,871,163</u>	<u>2,133,420</u>
Earnings per share		HK\$	HK\$
Basic	9	<u>6.23</u>	<u>5.50</u>
Diluted	9	<u>6.23</u>	<u>5.50</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2025 – Unaudited

	2025 HK\$'000	2024 HK\$'000
Profit for the period	<u>1,871,163</u>	<u>2,133,420</u>
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>529,936</u>	<u>(11,872)</u>
	<u>529,936</u>	<u>(11,872)</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	364,528	566,317
Changes in fair value of cash flow hedge	17,911	(8,300)
Changes in fair value on net investment hedge	(59,196)	8,914
Share of other comprehensive income of associates	<u>(105,916)</u>	<u>(178,415)</u>
	<u>217,327</u>	<u>388,516</u>
Other comprehensive income for the period, net of tax	<u>747,263</u>	<u>376,644</u>
Total comprehensive income for the period	<u>2,618,426</u>	<u>2,510,064</u>
Total comprehensive income for the period attributable to:		
Equity shareholders of the Company	2,854,138	2,198,741
Non-controlling interests	<u>(235,712)</u>	<u>311,323</u>
	<u>2,618,426</u>	<u>2,510,064</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	At 31 December 2025 (Unaudited) HK\$'000	At 30 June 2025 (Audited) HK\$'000
	Note	
NON-CURRENT ASSETS		
Investment properties	41,486,895	42,084,161
Other property, plant and equipment	12,735,387	13,112,460
Right-of-use assets	6,670,328	6,662,073
Interests in associates	16,634,257	15,733,062
Interests in joint ventures	3,765,664	3,981,193
Equity investments at FVOCI	6,409,294	5,885,080
Deferred tax assets	544,243	630,571
Intangible assets	5,925,626	7,080,431
Goodwill	2,079,593	2,462,740
Pensions surplus	79,645	83,342
	<u>96,330,932</u>	<u>97,715,113</u>
CURRENT ASSETS		
Development properties	11,515,774	13,535,033
Properties held for sale	1,247,409	1,331,280
Inventories	377,558	420,100
Contract assets	4,075,463	4,898,385
Trade and other receivables	1,931,793	3,037,908
Tax recoverable	47,404	23,173
Trading financial assets	10,985,784	9,539,059
Cash and short term funds	12,913,677	16,059,678
	<u>43,094,862</u>	<u>48,844,616</u>
CURRENT LIABILITIES		
Contract liabilities	666,123	1,023,997
Trade and other payables	5,373,857	5,999,052
Bank loans and other borrowings	7,015,310	10,381,890
Taxation	194,045	190,838
Provisions and other liabilities	137,425	131,815
Lease liabilities	528,480	473,636
	<u>13,915,240</u>	<u>18,201,228</u>
NET CURRENT ASSETS	<u>29,179,622</u>	<u>30,643,388</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>125,510,554</u>	<u>128,358,501</u>
NON-CURRENT LIABILITIES		
Bank loans and other borrowings	24,776,247	28,889,403
Amount due to non-controlling interests	2,611,732	2,844,440
Provisions and other liabilities	519,497	521,991
Deferred tax liabilities	886,773	812,632
Lease liabilities	8,516,163	8,554,405
	<u>37,310,412</u>	<u>41,622,871</u>
NET ASSETS	<u>88,200,142</u>	<u>86,735,630</u>
CAPITAL AND RESERVES		
Share capital	1,280,654	1,291,504
Reserves	68,721,570	67,423,814
Total equity attributable to equity shareholders of the Company	<u>70,002,224</u>	<u>68,715,318</u>
Non-controlling interests	18,197,918	18,020,312
TOTAL EQUITY	<u>88,200,142</u>	<u>86,735,630</u>

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 2024/25 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025/26 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 2024/25 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 HKFRS Accounting Standards.

The interim financial report is unaudited. The financial information relating to the financial year ended 30 June 2025 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 2025 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 19 September 2025.

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 2025: US\$1 = HK\$7.7839, 30 June 2025: US\$1 = HK\$7.8499, 31 December 2024: US\$1 = HK\$7.7643).

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to HKAS21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to this interim financial report for the current accounting period.

The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency. 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, Spain and Portugal.	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 2025 or 2024.

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 2024/25.

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 2025						
Turnover	688,042	4,624,999	6,357,866	-	214,384	11,885,291
Disaggregated by timing of revenue						
- Point in time	482,415	1,923,005	6,357,866	-	214,384	8,977,670
- Over time	-	2,701,994	-	-	-	2,701,994
Revenue from external customers	482,415	4,624,999	6,357,866	-	214,384	11,679,664
Inter-segment revenue	19,764	5,682	-	-	-	25,446
Reportable segment revenue	502,179	4,630,681	6,357,866	-	214,384	11,705,110
Reportable segment operating profit/(loss)	1,332,516	1,021,310	(178,609)	-	(4,429)	2,170,788
Finance costs	(76,071)	(483,513)	(289,888)	-	(16,144)	(865,616)
Share of profits of associates	-	3,402	-	822,742	-	826,144
Share of profits of joint ventures	5,628	31,338	-	-	-	36,966
Profit/(loss) before taxation	1,262,073	572,537	(468,497)	822,742	(20,573)	2,168,282
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

3. SEGMENT REPORTING (cont'd)

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

Revenue	Six months ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Reportable segment revenue	11,705,110	12,626,495
Elimination of inter-segment revenue	<u>(25,446)</u>	<u>(44,870)</u>
Consolidated revenue (Note 4)	<u>11,679,664</u>	<u>12,581,625</u>
Finance costs	Six months ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Reportable finance costs	865,616	1,121,826
Elimination of inter-segment finance costs	<u>(19,397)</u>	<u>(37,160)</u>
Consolidated finance costs (Note 6(a))	<u>846,219</u>	<u>1,084,666</u>

4. TURNOVER AND REVENUE

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

	Six months ended 31 December	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Revenue from sale of properties	3,633,890	4,933,397
Revenue from hospitality and leisure	6,348,448	5,869,618
Rental income from properties	797,289	750,671
Dividend income	262,948	429,192
Interest income	312,563	308,590
Revenue from sales of goods	214,361	234,542
Others	<u>110,165</u>	<u>55,615</u>
Revenue	11,679,664	12,581,625
Proceeds from sale of investments in securities	205,627	611,753
Turnover	<u>11,885,291</u>	<u>13,193,378</u>

5. OTHER NET INCOME

	Six months ended 31 December	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Net realised and unrealised gains on trading financial assets	889,015	416,055
Net realised and unrealised gains/(losses) on derivative financial instruments	13,054	(8,805)
Net losses on foreign exchange contracts	(42,618)	(23,758)
Other exchange gains	47,404	69,451
Net gains/(losses) on disposal of property, plant and equipment	113,489	(13,587)
Gain on disposal of a subsidiary	-	65,802
Gain on extinguishment of lease liabilities in relation to surrender of leases	-	100,368
Loss on payment fraud incident in a subsidiary	(67,175)	-
Others	(30,824)	3,564
	<u>922,345</u>	<u>609,090</u>

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	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Interest on bank loans and other borrowings	592,129	899,318
Interest on lease liabilities	236,062	203,874
Other borrowing costs	40,430	23,478
Total borrowing costs	<u>868,621</u>	<u>1,126,670</u>
Less: borrowing costs capitalised into:		
- development properties	(5,846)	(7,407)
- investment properties	(16,556)	(34,597)
Total borrowing costs capitalised (Note)	<u>(22,402)</u>	<u>(42,004)</u>
	<u>846,219</u>	<u>1,084,666</u>

Note:

These borrowing costs have been capitalised at rates of 1.90% to 5.63% (2024: 3.56% to 5.08%) per annum.

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

(b) Staff cost

	Six months ended 31 December	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Salaries, wages and other benefits	1,950,824	1,841,975
Contributions to defined contribution retirement plans	66,848	58,892
Social security costs	163,797	141,705
Equity-settled share-based payment expenses	4,686	11,103
	<u>2,186,155</u>	<u>2,053,675</u>

(c) Other items

	Six months ended 31 December	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Depreciation		
- other property, plant and equipment	275,387	247,850
- right-of-use assets	225,422	148,119
Net impairment losses (Note)		
- intangible assets	947,519	-
- goodwill	300,801	-
- right-of-use assets	95,501	-
Amortisation		
- customer relationship, licences and brand names	6,250	7,275
- casino licences and brand names	249	272
- Bass Strait oil and gas royalty	17,055	21,996
- other intangible assets	51,413	77,464
Allowance for foreseeable loss on development properties	-	244,574
	<u>(797,289)</u>	<u>(750,671)</u>
Gross rental income from investment properties		
Less: direct outgoings	184,626	165,852
Net rental income	<u>(612,663)</u>	<u>(584,819)</u>

Note:

Due to uncertainty in future performance outlook driven by multiple challenges including increased competitive pressures in key export markets and decline in international demand for premium honey products, an impairment assessment on Manuka Health New Zealand Limited was conducted. The recoverable amount of the cash generating unit ("CGU") was determined using a value-in-use calculation, based on discounted cash flow projections covering a five-year period. Key assumptions included forecast sales growth, gross margin expectations, and a pre-tax discount rate of 14%. As a result, an impairment loss of HK\$74.9 million was recognised against goodwill.

In addition, management identified impairment indicators in gaming and leisure businesses of The Rank Group Plc, notably the sustained decline in its market capitalisation and challenge from Remote Gaming Duty and increased operating costs. The recoverable amounts of the gaming and leisure businesses have been calculated with reference to its value-in-use. Value-in-use calculations are based upon estimates of future cash flows derived from the Group's strategic business plan, the pre-tax discount rate of 12% to 15% and growth rates of 2% to 4% used to extrapolate cash flow beyond the forecast period. Following impairment testing, the recoverable amount was determined to be lower than its carrying amount and impairment losses on goodwill of HK\$225.9 million, intangible assets of HK\$947.5 million and right-of-use assets of HK\$95.5 million of the CGU were recognised respectively at the end of the reporting period.

The net impairment losses are included in administrative and other operating expenses in the consolidated income statement.

7. TAX EXPENSES

Taxation in the consolidated income statement represents:

	Six months ended 31 December	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax - Hong Kong Profits Tax	(6,764)	-
Current tax - Overseas	126,644	168,500
Pillar two income tax	864	10,940
Deferred tax	176,375	240,839
	<u>297,119</u>	<u>420,279</u>

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2024: 16.5%) to the profits for the six months ended 31 December 2025. 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

The Company is part of a multinational enterprise group which is subject to the Global Anti-Base Erosion Model Rules ("Pillar Two") published by the Organisation for Economic Co-operation and Development.

Pillar Two legislation has been enacted in certain jurisdictions the Group operates. The Group is in scope of the enacted Pillar Two legislation, including the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025, for the financial year ending 30 June 2026. In certain other jurisdictions in which the Group operates, the enacted Pillar Two legislation took effect earlier from the financial year ended 30 June 2025.

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and accounted for the tax as current tax when incurred.

8. DIVIDENDS

	Six months ended 31 December	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Dividends payable/paid in respect of the current year:		
- Interim dividend declared of HK\$0.70 (2024: HK\$0.60) per ordinary share	<u>230,333</u>	<u>197,429</u>
Dividends paid in respect of the prior year:		
- Final dividend of HK\$2.90 (2024: HK\$2.70) per ordinary share	<u>942,506</u>	<u>876,009</u>

The interim dividend declared for the year ending 30 June 2026 of HK\$230,333,000 (2025: HK\$197,429,000) is calculated based on 329,051,373 ordinary shares (2024: 329,051,373 ordinary shares) in issue as at 31 December 2025.

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\$2,026,522,000 (2024: HK\$1,788,912,000) and the weighted average number of 325,224,511 ordinary shares (2024: 325,224,511 ordinary shares) in issue during the period.

(b) Diluted earnings per share

For the six months ended 31 December 2025 and 2024 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 2025 (Unaudited) HK\$'000	At 30 June 2025 (Audited) HK\$'000
Trade debtors	932,730	1,906,988
Other receivables, deposits and prepayments	880,538	1,036,094
Derivative financial instruments, at fair value	45,458	25,999
Interest receivables	73,067	68,827
	<u>1,931,793</u>	<u>3,037,908</u>

Included in the Group's trade and other receivables is HK\$66.2 million (30 June 2025: HK\$90.3 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 2025 (Unaudited) HK\$'000	At 30 June 2025 (Audited) HK\$'000
Within 1 month	881,317	1,829,707
1 to 3 months	35,806	54,564
More than 3 months	15,607	22,717
	<u>932,730</u>	<u>1,906,988</u>

11. TRADE AND OTHER PAYABLES

	At 31 December 2025 (Unaudited) HK\$'000	At 30 June 2025 (Audited) HK\$'000
Trade creditors	870,839	1,161,425
Other payables and accrued operating expenses	4,282,663	4,455,999
Derivative financial instruments, at fair value	132,381	241,351
Amounts due to fellow subsidiaries	84,479	136,964
Amounts due to associates and joint ventures	3,495	3,313
	<u>5,373,857</u>	<u>5,999,052</u>

Included in trade and other payables is HK\$832.9 million (30 June 2025: HK\$626.4 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 2025 (Unaudited) HK\$'000	At 30 June 2025 (Audited) HK\$'000
Within 1 month	535,057	614,023
1 to 3 months	230,022	462,537
More than 3 months	105,760	84,865
	<u>870,839</u>	<u>1,161,425</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\$0.70 per share amounting to approximately HK\$230 million for the financial year ending 30 June 2026 (2024/2025 interim dividend: HK\$0.60 per share, amounting to approximately HK\$197 million), which will be payable on Wednesday, 25 March 2026 to the shareholders whose names appear on the Register of Members on Wednesday, 11 March 2026, being the record date for determining shareholders’ entitlement to the interim dividend.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The Group recorded an unaudited consolidated profit attributable to shareholders of HK\$2,026.5 million for the six months ended 31 December 2025, an increase of 13% versus the corresponding period in 2024. This was mainly attributable to the favourable operational performances across all of the Group’s segments. Basic earnings per share amounted to HK\$6.23 as compared to HK\$5.50 in the prior period.

For the six months ended 31 December 2025, the Principal Investment segment, Property Development and Investment segment and Financial Services segment reported profits before taxation of HK\$1,262.1 million, HK\$572.5 million and HK\$822.7 million respectively. The Hospitality and Leisure segment and Others segment delivered profits before taxation prior to impairment provisions of HK\$800.4 million and HK\$54.3 million. However, these profits were offset by impairment provisions of HK\$1,268.9 million and HK\$74.9 million on the two segments respectively to reflect the challenges in the performance outlook in the sectors notably impact from the UK Remote Gaming Duty.

The Group’s revenue for the six months ended 31 December 2025 decreased by 7% to HK\$11.7 billion, primarily due to a decrease of HK\$1.2 billion in revenue from the Property Development and Investment segment, mainly due to timing of progressive recognition of revenue from the residential developments in Singapore. The decrease, however, was partially offset by an increase of HK\$0.5 billion in revenue from the Hospitality and Leisure segment attributable to the continued growth of the business in the current period.

Review of Operations

Principal Investment

During the six months ended 31 December 2025, global equity markets extended their rally that began in April 2025, closing the year near record highs. Market performance was buoyed by a series of positive developments, including a cease-fire in the Middle East, easing of global trade tensions and continued investment into AI infrastructure in the US. Weaker than-expected inflation and broadly robust corporate earnings further strengthened investor sentiment. However, November again brought volatility as concerns over AI stock valuations and uncertainty around US fiscal negotiations briefly unsettled investors.

Our investment approach remains focused on companies with solid fundamentals that can compound earnings through the cycle. Against this market backdrop, our Principal Investment segment recorded a pre-tax profit of HK\$1,262.1 million for the six months ended 31 December 2025.

In an environment characterised by geopolitical uncertainties, as well as evolving and diverging monetary policy expectations by major central banks, foreign exchange and interest rate volatility remained elevated during the period. Group Treasury maintained proactive hedging and disciplined management of foreign exchange exposures. Active balance sheet management, together with prudent yield enhancement of cash within a low-risk framework, enabled the Group to generate net interest income while effectively managing and mitigating the impact of volatile financial market conditions.

Looking ahead, global economic conditions in 2026 are expected to remain mixed. Moderate growth in the US underpinned by the prospect of interest rate cuts may provide some support while geopolitical development and policy risks may continue to bring uncertainties. Meanwhile, China met their 5% GDP target for 2025, yet underlying economic conditions remain uneven, and further incremental policy measures are expected during 2026. We are mindful of market valuations being relatively high, and uncertainty ahead of the mid-term elections in November adds further caution. Our Group Investment team will continue to prioritise risk management, liquidity and diversification, and to seek opportunities where fundamentals and valuation support appropriate risk adjusted returns. Nonetheless, shareholders should note that the results of this segment are subject to fair value movement and will continue to exhibit a degree of volatility.

Property Development and Investment

GuocoLand Limited (“GuocoLand”)

For the six months ended 31 December 2025, GuocoLand achieved total revenue of S\$791.9 million (approximately HK\$4,771.2 million), a decrease of 22% as compared to the previous corresponding period.

Revenue from GuocoLand’s property development business recorded a revenue of S\$611.9 million (approximately HK\$3,686.7 million) for the six months ended 31 December 2025, as compared to S\$842.5 million (approximately HK\$4,937.6 million) for the last corresponding period, mainly due to the timing of progressive recognition of revenue from the residential developments in Singapore. Property development revenue from China increased by 48% to S\$122.4 million (approximately HK\$737.5 million) for the period as GuocoLand commenced handover of more residential units to buyers. While market sentiment remains relatively subdued, GuocoLand continued to monetise its residential projects in Chongqing to improve liquidity and reduce gearing in China.

The decrease in revenue recognition from property development business was partially offset by an increase in recurring rental revenue from the property investment business. Revenue from property investment increased by 5% to S\$143.2 million (approximately HK\$862.8 million) for the six months ended 31 December 2025, supported by high committed occupancy from its Singapore commercial portfolio. The Lentor Modern mall, which officially opened in January 2026, will add to GuocoLand's recurring income stream as leases commence progressively.

GuocoLand's other income increased by S\$17.2 million (approximately HK\$103.6 million) to S\$25.5 million (approximately HK\$153.6 million) supported by the disposal gain of the Thistle Johor Bahru hotel in Malaysia. A share of profit of associates and joint ventures of S\$5.3 million (approximately HK\$31.9 million) was also recognised for the six months ended 31 December 2025 as compared to a share of loss in the previous period, mainly due to contributions from Springleaf Residence and Lentor Hills Residences in Singapore. Net finance cost decreased by 30% to S\$68.6 million (approximately HK\$413.3 million), mainly due to lower loans and borrowings as well as lower interest rates during the six months ended 31 December 2025 as compared to the previous corresponding period.

Overall, GuocoLand's profit attributable to equity holders increased by 14% to S\$85.4 million (approximately HK\$514.5 million), as compared to the corresponding period last year.

In 2025, Singapore's private residential properties prices rose 3.3%, moderating from the previous year. Supported by lower interest rates and low unemployment rate, the residential market is expected to remain stable while subject to macro-economic uncertainties. The Grade A office market is also expected to remain robust, underpinned by a more favourable interest rate environment, as well as tight supply and limited new completions until 2027, which should keep vacancies low and drive rental growth.

In China, the People's Bank of China kept key lending rates at record lows, maintaining the five-year loan prime rates at 3.5% for a seventh month to support residential property. Conditions remain uneven with varied levels of stabilisation across cities. Shanghai's Grade A office vacancy rate edged down to 23.4% in the fourth quarter of 2025, though new supply in 2026 may pressure on occupancy and rental rates as tenants move to higher quality offices.

Malaysia's residential property transaction volume and value respectively declined by 5.3% and 0.8% year-on-year in the third quarter. Market outlook is expected to persist with the affordable owner-occupier segment remaining more resilient. The office segment remains competitive, particularly among older buildings amid ample new supply.

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 GBP32.5 million (approximately HK\$337.3 million) for the six months ended 31 December 2025, compared to GBP31.3 million (approximately HK\$314.3 million) for the corresponding period in 2024.

CHG again delivered solid revenue growth despite the ongoing low growth in London’s hotel market. For the six months ended 31 December 2025, occupancy has increased to 93% from 88% in the prior year. By leveraging on a higher volume to yield rate, CHG has also driven incremental growth in its average room rate. As a result, rooms revenue reached GBP140.3 million (approximately HK\$1,456.1 million), up 7% from the corresponding period in 2024. While total revenue, including food and beverage, and meeting and events, rose 6% to GBP174.6 million (approximately HK\$1,812.1 million).

CHG continues to leverage scale efficiencies at high occupancy levels while maintaining strict cost control through efficient workforce deployment, contract renegotiations and competitive procurement process. These measures have helped to mitigate the impact of higher labour costs and inflationary pressures, supporting healthy operating cash flow and enabling further reduction of external debt and related interest expenses.

Management remained focus on prioritising capital expenditure that preserves asset quality value and generates additional value across the estate. These asset enhancement initiatives include investment in the Tower Suite at The Tower Hotel, one of London’s largest hotel meeting and event spaces, which is expected to contribute to significant value uplift later in the financial year. Furthermore, CHG’s multi-site strategic partnership with the Gordon Ramsay Restaurant Group (GRRG) will launch the UK’s first Hell’s Kitchen at The Cumberland Hotel in Spring 2026, broadening the food and beverage offerings and contributing to the appeal of the hotel.

Looking ahead, the softer London market is expected to persist amid a volatile macroeconomic environment. Nevertheless, CHG remains focused on delivering sustained performance through the disciplined execution of a market-leading strategy, continued investment in refurbished rooms and facilities, and ongoing enhancement of service quality and guest experience.

The Rank Group Plc (“Rank”)

Rank’s net gaming revenue increased by 5% to GBP420.0 million (approximately HK\$4,358.9 million) for the six months ended 31 December 2025 due to growth in all business units. Operating profit decreased by 11% to GBP31.3 million (approximately HK\$324.8 million), impacted by a loss of GBP6.5 million (approximately HK\$67.5 million) as a result of a payment fraud in the Spanish businesses.

The number of customer visits to Grosvenor venues increased by 5% and the spend per visit also increased by 1%. 850 additional gaming machines have been successfully introduced across the Grosvenor estate. Demand is gradually building up as customers become aware of the increased availability and choice of machines and gaming content. The results are consistent with Rank's expectations at this early stage of the launch phase. For Mecca venues, the number of customer visits were marginally down by 1% in the period. In Spain, the number of customer visits to Enracha venues was flat and the spend per visit increased by 6%.

A long-standing strategic pillar of Rank's digital business has been to consistently build momentum and to grow volume, and further progress had been made in the first half. Grosvenor and Mecca recorded an increase of 17% and 5% in net gaming revenue respectively. In Spain, the digital business has improved with an overall 1% growth in the six months ended 31 December 2025. This was driven by stronger performance marketing, the launch of new apps and gaming products, an improved high value customer programme, and enhancements to the bingo game.

Rank has been delivering consistent revenue and profit growth for the past three years, partially offset by higher employment costs and depreciation. Rank now faces significant headwinds within UK digital business following the 2025 Autumn Budget policy to increase Remote Gaming Duty from 21% to 40% from April 2026. Accordingly, impairment provisions of GBP122.3 million (approximately HK\$1,268.9 million) was made in the period mainly to reflect the challenges faced by the gaming sector. Rank has already executed a range of mitigating actions whilst continuing to prioritise customer experience. The business will respond with agility as the disrupted landscape takes shape in the UK.

Financial Services

Hong Leong Financial Group Berhad ("HLFG")

HLFG will publish its results for the interim period ended 31 December 2025 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, recorded a decline in its results compared to the previous corresponding period. This was primarily due to a loss of a key customer in the prior year, partially offset by management's targeted marketing investments and optimisation of the business model, margins and brand positioning. The business remains committed to improving sustainable growth through its premium product strategy, operation efficiencies, and focused investment in high-value channels.

The Bass Strait oil and gas business saw a slight decline in its results for the six months ended 31 December 2025 due to a lower average crude oil price offset by an increase in extraction volume of hydrocarbons.

GROUP FINANCIAL COMMENTARY

Capital Management

The consolidated total equity attributable to shareholders of the Company as at 31 December 2025 amounted to HK\$70.0 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\$7.9 billion. The equity-debt ratio was 90:10 as at 31 December 2025.

Liquidity and Financial Resources

The Group's total cash and short term funds as well as trading financial assets were mostly denominated in USD (42%), HKD (20%), SGD (14%), EUR (6%), GBP (5%) and RMB (4%) as at 31 December 2025.

The Group's total bank loans and other borrowings amounted to HK\$31.8 billion as at 31 December 2025, and were mostly denominated in SGD (79%), RMB (9%), HKD (6%) and RM (2%). The Group has borrowings of HK\$7.0 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\$36.7 billion as at 31 December 2025.

Committed borrowing facilities available to the Group and not yet drawn as at 31 December 2025 amounted to approximately HK\$11.3 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 2025, approximately 75% of the Group's bank loans and other borrowings carried interest at floating rates and the remaining 25% carried interest at fixed rates. The Group had outstanding interest rate contracts with a notional amount of HK\$3.5 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 2025, there were outstanding foreign exchange contracts with a total notional amount of HK\$4.8 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

Global markets may continue to be influenced by monetary policy paths, geopolitical factors and valuation sensitivity. Against this backdrop, the Group will stay adapt in responding to rapid changes in the market and across the industries where our core businesses operate. Prudent financial management and continued focus on operational efficiency will underpin our proactive strategies for business growth. We will continue to manage our portfolios and business decisions thoughtfully to ensure resilience.

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 (including sale of treasury shares, if any) during the six months ended 31 December 2025.

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 2025 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, 11 March 2026, 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, 10 March 2026.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 23 February 2026

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.