國浩集團有限公司
Guoco Group Limited

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

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2023

FINANCIAL HIGHLIGHTS

		2023	2022	*Increase /*
		HK$'M	HK$'M	*(Decrease)*
Turnover		**22,023**	15,758	*40%*
Revenue		**19,508**	14,905	*31%*
Profit from operations		**1,719**	1,153	*49%*
Profit attributable to equity shareholders of the Company		**3,400**	1,960	*73%*
		HK$	HK$	
Earnings per share		**10.46**	6.03	*73%*
Dividend per share:	Interim	**0.50**	0.50	
	Proposed final	**2.50**	1.50	
	Total	**3.00**	2.00	*50%*
Equity per share attributable to equity shareholders of the Company		**180.33**	175.41	*3%*

RESULTS

The consolidated results of Guoco Group Limited (the "Company") and its subsidiaries (together the "Group") for the financial year ended 30 June 2023 together with comparative figures for the previous year are as follows:

CONSOLIDATED INCOME STATEMENT

	Note	**2023**	2022
		HK$'000	HK$'000
Turnover	3 & 4	**22,022,812**	15,758,258
Revenue	3 & 4	**19,508,239**	14,904,912
Cost of sales		**(11,634,141)**	(8,473,321)
Other attributable costs		**(748,385)**	(547,694)
		7,125,713	5,883,897
Other revenue		**619,263**	1,326,245
Other net income/(losses)	5	**977,165**	(315,787)
Administrative and other operating expenses		**(5,457,030)**	(4,605,146)
Profit from operations before finance costs		**3,265,111**	2,289,209
Finance costs	3(b) & 6(a)	**(1,545,753)**	(1,136,442)
Profit from operations		**1,719,358**	1,152,767
Valuation surplus on investment properties		**822,067**	1,373,048
Share of profits of associates and joint ventures	6(c)	**1,288,889**	1,104,167
Profit for the year before taxation	3 & 6	**3,830,314**	3,629,982
Taxation	7	**(163,310)**	(329,461)
Profit for the year		**3,667,004**	3,300,521
Attributable to:			
Equity shareholders of the Company		**3,400,274**	1,960,186
Non-controlling interests		**266,730**	1,340,335
Profit for the year		**3,667,004**	3,300,521
Earnings per share		**HK$**	HK$
Basic	9	**10.46**	6.03
Diluted	9	**10.46**	6.03

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2023 HK$'000	2022 HK$'000
Profit for the year	**3,667,004**	3,300,521
Other comprehensive income for the year (after tax and reclassification adjustments)		
Items that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income ("FVOCI") - net movement in fair value reserve (non-recycling)	**(599,039)**	(1,070,849)
Actuarial (loss)/gain on defined benefit obligation	**(58,888)**	33,098
	(657,927)	(1,037,751)
Items that may be reclassified subsequently to profit or loss:		
Exchange translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	**(570,962)**	(3,749,244)
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries	**-**	(7,641)
Changes in fair value of cash flow hedge	**(901)**	39,971
Changes in fair value on net investment hedge	**146,831**	88,312
Share of other comprehensive income of associates	**115,565**	(222,180)
	(309,467)	(3,850,782)
Other comprehensive income for the year, net of tax	**(967,394)**	(4,888,533)
Total comprehensive income for the year	**2,699,610**	(1,588,012)
Total comprehensive income for the year attributable to:		
Equity shareholders of the Company	**2,401,129**	(1,924,392)
Non-controlling interests	**298,481**	336,380
	2,699,610	(1,588,012)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2023 HK$'000	2022 HK$'000
NON-CURRENT ASSETS			
Investment properties		**36,974,636**	34,686,794
Other property, plant and equipment		**11,885,081**	11,848,238
Right-of-use assets		**5,643,942**	5,103,166
Interest in associates and joint ventures		**14,406,768**	14,061,428
Equity investments at FVOCI		**5,750,786**	6,603,147
Deferred tax assets		**1,009,426**	849,752
Intangible assets		**6,783,429**	6,975,544
Goodwill		**2,389,486**	2,394,027
Pensions surplus		**66,058**	118,900
		84,909,612	82,640,996
CURRENT ASSETS			
Development properties		**20,070,080**	20,940,572
Properties held for sale		**1,666,059**	2,341,520
Inventories		**383,737**	477,999
Deposits for land		**1,011,769**	-
Contract assets		**223,984**	1,315,341
Trade and other receivables	10	**1,725,401**	1,787,448
Tax recoverable		**157,605**	152,712
Trading financial assets		**9,663,034**	8,787,546
Cash and short term funds		**12,812,620**	11,801,952
		47,714,289	47,605,090
CURRENT LIABILITIES			
Contract liabilities		**1,702,990**	947,203
Trade and other payables	11	**5,022,680**	4,813,856
Bank loans and other borrowings		**7,987,580**	12,001,373
Taxation		**281,414**	210,373
Provisions and other liabilities		**131,872**	175,329
Lease liabilities		**487,579**	452,463
		15,614,115	18,600,597
NET CURRENT ASSETS		**32,100,174**	29,004,493
TOTAL ASSETS LESS CURRENT LIABILITIES		**117,009,786**	111,645,489
NON-CURRENT LIABILITIES			
Bank loans and other borrowings		**28,909,081**	26,327,392
Amount due to non-controlling interests		**2,494,066**	2,547,500
Provisions and other liabilities		**422,063**	103,351
Deferred tax liabilities		**209,315**	453,083
Lease liabilities		**7,640,868**	6,885,828
		39,675,393	36,317,154
NET ASSETS		**77,334,393**	75,328,335
CAPITAL AND RESERVES			
Share capital		**1,289,226**	1,290,715
Reserves		**58,049,017**	56,426,879
Total equity attributable to equity shareholders of the Company		**59,338,243**	57,717,594
Non-controlling interests		**17,996,150**	17,610,741
TOTAL EQUITY		**77,334,393**	75,328,335

Notes:

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

(a) Statement of compliance

Although not required under the Bye-Laws of the Company, these financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 June 2023 comprise the Company and its subsidiaries and the Group's interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis modified by the revaluation of investment properties and the marking to market of certain financial instruments.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Hong Kong dollar amounts

The consolidated financial statements of the Group are expressed in the 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 consolidated financial statements, which are translated at the rates prevailing at the respective financial year ends for presentation purposes only (2023: US$1 = HK$7.8360, 2022: US$1 = HK$7.8451).

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 HKAS 16 – Property, Plant and Equipment: Proceeds before Intended Use

- Amendments to HKAS 37 – Provisions, contingent liabilities and contingent assets: Onerous Contracts – Cost of Fulfilling a Contract

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. 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, with trading and strategic investments in global capital markets.	Subsidiaries
Property development and investment:	This segment involves development of residential and commercial properties and holding properties for rental income in the key geographical markets of Singapore, China, Malaysia and Hong Kong.	Subsidiaries, associates and joint ventures
Hospitality and leisure:	This segment owns, leases or manages hotels and operates gaming and leisure businesses in the United Kingdom and Spain.	Subsidiaries
Financial services:	This segment covers commercial and consumer banking, Islamic banking, investment banking, life and general insurance, Takaful insurance, fund management and unit trust, corporate advisory services and stockbroking.	Associate

Other segments include royalty entitlement from the Group's Bass Strait's oil and gas production investment and the manufacture, marketing and distribution of health products through Manuka Health New Zealand Limited. None of these segments met any of the quantitative thresholds for determining reportable segments in 2023 or 2022.

Performance is evaluated on the basis of profit or loss from operations before taxation. Inter-segment pricing is determined on an arm's length basis. The Group's measurement methods used to determine reported segment profit or loss remain unchanged from the financial year 2021/22.

3. SEGMENT REPORTING (cont'd)

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

(a) Reportable segment revenue and profit or loss

	Principal investment HK$'000	Property development and investment HK$'000	Hospitality and leisure HK$'000	Financial services HK$'000	Others HK$'000	Total HK$'000
Segment revenue and profit or loss						
For the year ended 30 June 2023						
Turnover	**3,555,946**	**8,691,033**	**9,188,564**	**-**	**587,269**	**22,022,812**
Disaggregated by timing of revenue						
- Point in time	**1,041,373**	**2,618,196**	**9,188,564**	**-**	**587,269**	**13,435,402**
- Over time	**-**	**6,072,837**	**-**	**-**	**-**	**6,072,837**
Revenue from external customers	**1,041,373**	**8,691,033**	**9,188,564**	**-**	**587,269**	**19,508,239**
Inter-segment revenue	**68,996**	**14,747**	**-**	**-**	**-**	**83,743**
Reportable segment revenue	**1,110,369**	**8,705,780**	**9,188,564**	**-**	**587,269**	**19,591,982**
Reportable segment operating profit/(loss)	**1,712,879**	**1,483,166**	**(252,131)**	**-**	**381,119**	**3,325,033**
Finance costs	**(165,504)**	**(852,792)**	**(534,047)**	**-**	**(53,332)**	**(1,605,675)**
Valuation surplus on investment properties	**-**	**822,067**	**-**	**-**	**-**	**822,067**
Share of profits of associates and joint ventures	**6,128**	**50,793**	**-**	**1,231,968**	**-**	**1,288,889**
Profit/(loss) before taxation	**1,553,503**	**1,503,234**	**(786,178)**	**1,231,968**	**327,787**	**3,830,314**

3. **SEGMENT REPORTING (cont'd)**

(a) Reportable segment revenue and profit or loss (cont'd)

	Principal investment HK$'000	Property development and investment HK$'000	Hospitality and leisure HK$'000	Financial services HK$'000	Others HK$'000	Total HK$'000
Segment revenue and profit or loss						
For the year ended 30 June 2022						
Turnover	1,469,276	5,578,482	8,168,886	-	541,614	15,758,258
Disaggregated by timing of revenue						
- Point in time	615,930	2,996,519	8,168,886	-	541,614	12,322,949
- Over time	-	2,581,963	-	-	-	2,581,963
Revenue from external customers	615,930	5,578,482	8,168,886	-	541,614	14,904,912
Inter-segment revenue	33,208	16,686	-	-	-	49,894
Reportable segment revenue	649,138	5,595,168	8,168,886	-	541,614	14,954,806
Reportable segment operating (loss)/profit	(368,914)	2,370,217	734,728	-	(422,252)	2,313,779
Finance costs	(61,748)	(488,684)	(590,905)	-	(19,675)	(1,161,012)
Valuation surplus on investment properties	-	1,373,048	-	-	-	1,373,048
Share of (losses)/profits of associates and joint ventures	-	(47,282)	-	1,151,449	-	1,104,167
(Loss)/profit before taxation	(430,662)	3,207,299	143,823	1,151,449	(441,927)	3,629,982

3. SEGMENT REPORTING (cont'd)

(b) Reconciliations of reportable segment revenue, finance costs and interest income

Revenue

	2023	2022
	HK$'000	HK$'000
Reportable segment revenue	**19,591,982**	14,954,806
Elimination of inter-segment revenue	**(83,743)**	(49,894)
Consolidated revenue (note 4)	**19,508,239**	14,904,912

Finance costs

	2023	2022
	HK$'000	HK$'000
Reportable finance costs	**1,605,675**	1,161,012
Elimination of inter-segment finance costs	**(59,922)**	(24,570)
Consolidated finance costs (note 6(a))	**1,545,753**	1,136,442

Interest income

	2023	2022
	HK$'000	HK$'000
Reportable interest income	**454,135**	173,713
Elimination of inter-segment interest income	**(59,922)**	(24,571)
Consolidated interest income (note 4)	**394,213**	149,142

4. TURNOVER AND REVENUE

The Company is an investment holding and investment management company. The principal activities of the subsidiaries which materially affected the results or assets of the Group during the year include principal investment, property development and investment, and hospitality and leisure businesses.

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

	2023	2022
	HK$'000	HK$'000
Revenue from sale of properties	**7,495,753**	4,666,887
Revenue from hospitality and leisure	**9,173,394**	8,159,848
Interest income	**394,213**	149,142
Dividend income	**820,719**	584,919
Rental income from properties	**962,222**	727,856
Revenue from sales of goods	**587,198**	541,614
Others	**74,740**	74,646
Revenue	**19,508,239**	14,904,912
Proceeds from sale of investments in securities	**2,514,573**	853,346
Turnover	**22,022,812**	15,758,258

5. OTHER NET INCOME/(LOSSES)

	2023	2022
	HK$'000	HK$'000
Net realised and unrealised gain/(loss) on trading financial assets	**689,388**	(844,174)
Net realised and unrealised (loss)/gain on derivative financial instruments	**(1,285)**	355,098
Net gain on foreign exchange contracts	**172,878**	95,631
Other exchange gain/(loss)	**10,735**	(178,820)
Net losses on disposal of property, plant and equipment	**(8,338)**	(34,322)
Net loss on disposal of intangible assets	**(447)**	(7,876)
Provision written back in prior year	**-**	44,819
Gain on disposal of subsidiaries	**-**	104,473
Net gains on liquidation of subsidiaries	**60,784**	-
Additional proceeds from disposal of a subsidiary in prior year	**-**	91,520
Remeasurement gain on existing interest in other investment	**-**	13,415
Others	**53,450**	44,449
	977,165	(315,787)

6. PROFIT FOR THE YEAR BEFORE TAXATION

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

(a) Finance costs

	2023	2022
	HK$'000	HK$'000
Interest on bank loans and other borrowings	**1,555,258**	1,149,433
Interest on lease liabilities	**365,205**	384,902
Other borrowing costs	**71,668**	71,092
Total borrowing costs	**1,992,131**	1,605,427
Less: borrowing costs capitalised into:		
development properties	**(213,084)**	(187,410)
investment properties	**(233,294)**	(281,575)
Total borrowing costs capitalised (note)	**(446,378)**	(468,985)
	1,545,753	1,136,442

Note: These borrowing costs have been capitalised at rates of 1.90% to 5.63% per annum (2022: 1.02% to 5.08%).

(b) Staff cost

	2023	2022
	HK$'000	HK$'000
Salaries, wages and other benefits	**2,701,500**	2,414,604
Contributions to defined contribution retirement plans	**105,512**	97,208
Expenses recognised in respect of defined benefit retirement plans	**1,340**	4,362
Equity-settled share-based payment expenses/(forfeiture)	**7,946**	(3,585)
	2,816,298	2,512,589

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

(c) Other items

	2023	2022
	HK$'000	HK$'000
Depreciation		
- other property, plant and equipment	**518,289**	596,600
- right-of-use assets	**285,708**	393,366
Net impairment losses recognised		
- other property, plant and equipment (note a & b)	**446,958**	74,795
- intangible assets (note a & c)	**262,224**	48,977
- right-of-use assets (note a & b)	**353,850**	284,297
- goodwill (note c)	**58,590**	486,817
- Interest in a joint venture (note d)	**252,883**	-
Amortisation		
- customer relationship, licences and brand names	**39,258**	106,026
- casino licences and brand names	**956**	659
- Bass Strait oil and gas royalty	**45,214**	24,359
- other intangible assets	**196,582**	226,965
Net write down of development properties and properties held for sale	**281,242**	-
Cost of inventories recognised in cost of sales	**328,783**	314,320
Cost of development properties and properties held for sale recognised in cost of sales	**5,791,595**	2,864,730
Expense relating to short-term leases and other leases with remaining lease term ending within one year	**3,965**	3,130
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	**-**	3,342
Auditors' remuneration		
- audit services	**29,683**	28,352
- tax services	**1,011**	722
- other services	**548**	408
Donations	**6,488**	4,864
Gross rental income from investment properties	**(962,222)**	(727,856)
Less: direct outgoings	**236,632**	179,416
Net rental income	**(725,590)**	(548,440)
Share of (profits)/losses of associates and joint ventures:		
- associates	**(1,223,787)**	(1,162,378)
- joint ventures	**(65,102)**	58,211
	(1,288,889)	(1,104,167)

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

(c) Other items (cont'd)

Notes:

a. During the year ended 30 June 2023, the Group has factored the continuing risk of COVID-19 into the impairment testing of right-of-use assets, other property, plant and equipment and intangible assets of individual casino venues and clubs. Testing was carried out by allocating the carrying value of these assets to the individual venues and clubs. The recoverable amounts of individual venues and clubs have been calculated with reference to their value-in-use. Value-in-use calculations are based upon estimates of future cash flows derived from the Group's strategic plan for the five year period ending 30 June 2027 and are most sensitive to revenue growth, the pre-tax discount rate of 12% to 14% (2022: 11% to 15%) and growth rates of 0% to 2% (2022: 0% to 2%) used to extrapolate cash flow beyond the forecast period.

   As a result of the impairment assessment, the Group recognised impairment charges on right-of-use assets of HK$375.3 million (2022: HK$250.0 million), other property, plant and equipment of HK$487.8 million (2022: HK$107.1 million) and intangible assets of HK$262.2 million (2022: HK$139.8 million) due to lower than anticipated performance, a further reduction in forecast earnings and a decision to close a number of clubs and venues during the year.

   On the other hand, on the same basis, the Group also recognised reversals of previously impaired right-of-use assets of HK$21.4 million (2022: HK$18.8 million) and other property, plant and equipment of HK$40.8 million (2022: HK$54.9 million) during the year. The reversal in the current year was driven by better than anticipated performance and improved outlook in the Grosvenor venues.

   During the year ended 30 June 2022, the Group also recognised reversals of previously impaired intangible assets of HK$156.1 million. The reversal in the prior year was driven by better than anticipated performance and improved outlook in the Grosvenor and Enracha venues.

b. During the year ended 30 June 2022, the COVID-19 pandemic continued to disrupt the Group's hotel operations which was considered an impairment indicator. The assets (included in other property, plant and equipment and right-of-use assets) of each hotel property have been identified as individual cash generating units ("CGUs") for impairment assessment. The Group estimates the recoverable amount of assets using the value-in-use derived from discounted cash flow projections of the CGUs. The estimation of value-in-use of hotel assets involves the assumption of occupancy rates to be resumed to pre-COVID-19 pandemic level over the next few years, the projection of EBITDA forecasts, long term revenue growth rate of 2% and maintenance capital expenditure over a period, and discounting the income stream with a pre-tax discount rate of 9.6%.

   Based on the result of the impairment assessment as at 30 June 2022, a hotel property was written down to its recoverable amount, and accordingly, impairment losses on other property, plant and equipment of HK$22.6 million and right-of-use assets of HK$53.1 million were recognised in the prior year.

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

(c) Other items (cont'd)

Notes: (cont'd)

c. During the year ended 30 June 2023, the Group has factored the continued risk of COVID-19 on Manuka Health New Zealand Limited ("Manuka Health") which caused disruptions in transportation and logistics, as well as supply chains globally, which have also adversely impacted the global economy. The recoverable amount of this CGU was based on value-in-use, estimated using discounted cash flows. The pre-tax discount rate of 15% (2022: 14%) was estimated based on the historical industry average weighted-average cost of capital assumptions and the debt structure of the CGU. The cash flow projections included specific estimates for the following five years and a terminal growth rate thereafter. Forecasted revenue was estimated taking into account past experience, adjusted for additional revenue growth opportunities from sales volume and price growth. The terminal growth rate of 2% (2022: 2%) was determined based on management's estimate of the long-term compound annual revenue growth rate which is consistent with the assumptions that a market participant would make.

   As a result of the assessment, an impairment loss on goodwill of HK$58.6 million (2022: HK$486.8 million) but no impairment loss on intangible assets (2022: HK$65.3 million) of the CGU was recognised in the year.

d. During the year, the Group undertook an impairment assessment of its investment in a joint venture and estimated its recoverable amount, taking into consideration the control premium to the fair value of the investment in a joint venture as a whole. Based on the assessment, the Group recognised an impairment loss of HK$252.9 million during the year (2022: Nil), reflecting the prevailing cautious outlook and market conditions in the United Kingdom, where the investment is located.

7. TAXATION

Taxation in the consolidated income statement represents:

	2023 HK$'000	2022 HK$'000
Current tax - Hong Kong Profits Tax		
Provision for the year	**541**	3,256
Over-provision in respect of prior years	**(16)**	(16)
	525	3,240
Current tax - Overseas		
Provision for the year	**445,242**	447,513
Under-provision in respect of prior years	**8,479**	47,110
Land appreciation tax	**75,758**	-
	529,479	494,623
Deferred tax		
Origination and reversal of temporary differences	**(319,592)**	(126,329)
Effect of changes in tax rate on deferred tax balances	**(46,820)**	(42,073)
Others	**(282)**	-
	(366,694)	(168,402)
	163,310	329,461

The provision for Hong Kong Profits Tax is calculated at 16.5% (2022: 16.5%) of the estimated assessable profits for the year ended 30 June 2023. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

Land appreciation tax is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and relevant property development expenditures.

8. DIVIDENDS

	2023 **HK$'000**	2022 HK$'000
Dividends payable/paid in respect of the current year:		
- Interim dividend of HK$0.50 (2022: HK$0.50) per ordinary share	**162,331**	162,989
- Proposed final dividend of HK$2.50 (2022: HK$1.50) per ordinary share	**822,631**	493,579
	984,962	656,568
Dividends paid in respect of the prior year:		
- Final dividend of HK$1.50 (2022: HK$1.50) per ordinary share	**487,532**	490,802

The final dividend for the year ended 30 June 2023 of HK$822,631,000 (2022: HK$493,579,000) is calculated based on 329,051,373 ordinary shares (2022: 329,051,373 ordinary shares) in issue as at 30 June 2023.

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

9. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK$3,400,274,000 (2022: HK$1,960,186,000) and the weighted average number of 325,224,511 ordinary shares (2022: 325,224,511 ordinary shares) in issue during the year.

(b) Diluted earnings per share

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 30 June 2023 and 2022.

10. TRADE AND OTHER RECEIVABLES

	2023	2022
	HK$'000	HK$'000
Trade debtors	**742,712**	714,543
Other receivables, deposits and prepayments	**813,784**	844,331
Derivative financial instruments, at fair value	**106,805**	218,375
Interest receivables	**62,100**	10,199
	1,725,401	1,787,448

Included in the Group's trade and other receivables is HK$76.0 million (2022: HK$52.6 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:

	2023	2022
	HK$'000	HK$'000
Within 1 month	**642,952**	673,200
1 to 3 months	**46,107**	23,229
More than 3 months	**53,653**	18,114
	742,712	714,543

11. TRADE AND OTHER PAYABLES

	2023 HK$'000	2022 HK$'000
Trade creditors	**998,369**	978,387
Other payables and accrued operating expenses	**3,915,461**	3,767,821
Derivative financial instruments, at fair value	**41,507**	30,141
Amounts due to fellow subsidiaries	**67,343**	37,264
Amounts due to associates and joint ventures	**-**	243
	5,022,680	4,813,856

Included in trade and other payables is HK$1,235.0 million (2022: HK$1,376.0 million) which is expected to be payable after one year.

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	2023 HK$'000	2022 HK$'000
Within 1 month	**475,277**	676,266
1 to 3 months	**416,186**	189,709
More than 3 months	**106,906**	112,412
	998,369	978,387

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

DIVIDEND

The board of directors of the Company (the "**Board**") will recommend to shareholders for approval at the forthcoming annual general meeting a final dividend for the financial year ended 30 June 2023 of HK$2.50 per share, totaling HK$823 million. Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 16 November 2023, the final dividend will be payable on 5 December 2023 to the shareholders whose names appear on the Register of Members of the Company on 23 November 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The Group recorded an audited consolidated profit attributable to shareholders of HK$3,400.3 million for the year ended 30 June 2023, representing an increase of 73% versus the prior year. This is mainly attributable to the favourable performances in most of the Group's segments partially offset by the loss in the Hospitality and Leisure segment. Basic earnings per share amounted to HK$10.46 as compared to HK$6.03 in the prior year.

For the year ended 30 June 2023, the Principal Investment segment, Property Development and Investment segment, Financial Services segment and Others segment reported profits before taxation of HK$1,553.5 million, HK$1,503.2 million, HK$1,232.0 million and HK$327.8 million respectively. However, these profits were partially offset by a loss before taxation of HK$786.2 million in the Hospitality and Leisure segment whose results were negatively affected by one-off impairment charges relating to the downturn in performance expectations for certain gaming venues. Overall, the audited consolidated profit before taxation of the Group increased by 6% to HK$3,830.3 million for the year ended 30 June 2023.

The Group's revenue for the year ended 30 June 2023 increased by 31% to HK$19.5 billion, primarily due to an increase of HK$3.1 billion in revenue from the Property Development and Investment segment attributable to the higher progressive recognition of sales from residential projects in Singapore. In addition, an increase of HK$1.0 billion in revenue from the Hospitality and Leisure segment has arisen from improved performance and recovery seen in sector in the current year.

Review of Operations

Principal Investment

In the first half of the financial year, global stock markets experienced volatility due to the tightening of monetary conditions. However, in the second half, an improved performance was observed as inflationary pressures subsided and the US economy displayed resilience. Notably, the equity markets of Hong Kong and China diverged from the developed markets. Despite their initial rebound after the easing of COVID-19 restrictions in China, their market performance was not sustained as the Chinese economy continued to face substantial challenges subsequent to its reopening.

Our investment strategy, which prioritises the fundamental business aspects of companies, helped alleviate the impact from short-term fluctuations influenced by macro factors in the financial year, in particular during the first half of year. The Principal Investment segment recorded a pre-tax profit of HK$1,553.5 million for the year ended 30 June 2023, primarily due to unrealised mark-to-market valuations and dividend income received in the financial year. The segment's focus remains to invest in high-quality companies expected to create shareholder value over the long term, with the potential to produce tangible returns for the Group. Having said that, shareholders are reminded that this segment's results are subject to fair valuation adjustments and will therefore remain volatile.

During the year, GuoLine Advisory Pte. Ltd. ("GAPL"), a 50:50 joint venture between the Group and our parent group, was appointed to manage a discretionary portfolio and assigned to provide investment advisory and management services to our Principal Investment portfolio. This strategic move enables the Group to leverage and tap into the industry experience, investment expertise and resources network of GAPL to further broaden our investment capability.

Group Treasury maintained a cautious stance. Net interest expense and foreign exchange exposures were managed albeit still subject to market volatility.

Property Development and Investment

GuocoLand Limited ("GuocoLand")

GuocoLand recorded a 60% year-on-year increase in revenue to S$1,544.4 million (approximately HK$8,870.6 million) for the year ended 30 June 2023. This was mainly due to higher progressive recognition of sales for Meyer Mansion, Midtown Modern and Lentor Modern, all of which have been substantially sold. In addition, Chongqing GuocoLand 18T also contributed to GuocoLand's revenue, as the handover of sold units for one of its residential towers has started during the year.

Revenue from GuocoLand's investment properties increased by 35% to S$169.6 million (approximately HK$974.1 million) supported by higher recurring rental income from Guoco Tower, Guoco Changfeng City South Tower in Shanghai and the initial contribution from Guoco Midtown Office, which commenced operations in the second half of the financial year. In addition, revenue from GuocoLand's hotels, especially Sofitel Singapore City Centre, doubled to S$68.7 million (approximately HK$394.6 million) as compared to the prior year.

Gross profit increased by 5% to S$384.9 million (approximately HK$2,210.8 million). The lower growth was mainly due to the fact that a one-off S$79.3 million (approximately HK$455.5 million) fair value gain recognised under cost of sales in the prior year did not re-occur. Excluding such gain, the gross profit for the year would have increased by 34%.

Other income decreased by 41% to S$208.5 million (approximately HK$1,197.6 million), mainly due to lower fair value gains on investment properties combined with the absence of fair value gains on interest rate hedges in the current year.

Finance costs increased by 59% to S$149.7 million (approximately HK$859.8 million), mainly the result of a series of interest rates hikes in Singapore during the year. Overall, in the absence of the profit from discontinued operation that was recognised in the prior year, the profit attributable to equity holders decreased by 47% to S$207.1 million (approximately HK$1,189.5 million) for the year ended 30 June 2023.

In Singapore, 17,484 units remained unsold in the non-landed private residential housing market at the end of the second quarter of 2023, up from 16,252 units at the end of the first quarter. With new project launches planned for the second half of 2023 and the Government Land Sales programme, supply will be further increased. Furthermore, the latest property cooling measures and the high interest rate environment are expected to moderate demand from investors and foreign buyers and therefore overall price appreciation. Official estimates indicate rental growth for office in the Central Region moderated in the second quarter of 2023. Strong leasing activities have mainly focused on prime Grade A offices. However, office rental growth is likely to be impacted by the uncertain economic outlook and higher interest rates.

In China, the economy grew at 0.8% in the second quarter of 2023, slowing from the 2.2% expansion in the first quarter. The official growth target of around 5% for the full year remained unchanged but private sector economists have lowered their forecasts. Meanwhile, the property market contracted in the second quarter of 2023 after expanding in the first quarter. In order to improve market sentiment, policymakers have introduced various measures to support developers and home buyers.

In Malaysia, economic growth moderated to 2.9% in the second quarter of 2023 and is expected continue to grow at a slower pace for the whole year, amid the challenging global environment. The domestic property sector remains challenging mainly due to an overhang of excess property inventory in the residential and commercial market as well as other traditional property classes.

Hospitality and Leisure

The Clermont Hotel Group (previously GLH Hotels Group Limited, "GLH")

The Clermont Hotel Group, our key hotel operating business unit in the United Kingdom ("UK"), recorded a profit after tax of GBP36.5 million (approximately HK$345.5 million) for the financial year, overturning a loss of GBP37.9 million (approximately HK$393.8 million) in the prior year. In November 2022, the rebranding of GLH to "The Clermont Hotel Group" signaled to the market a shift to an aspirational brand repositioned as an upmarket operator with a simplified portfolio. In May 2023, the end of the licensing agreement with Hard Rock Hotel London allowed this hotel in Marble Arch to be relaunched as The Cumberland – a lifestyle brand that will sit alongside Clermont and Thistle in the Clermont Hotel Group brand portfolio. The repositioning will ensure the brands are better understood by our guests to drive greater awareness and loyalty. The performance results from the rebranded Clermont Victoria and Clermont Charing Cross hotels have been encouraging, demonstrating the value uplift.

Operationally, the strong domestic and international demand drove growth in rooms sold. The results outperformed expectations with total revenue ahead of pre-pandemic levels, which have benefited from strong market rate growth and the higher pricing strategies.

Continued cost control and mitigation actions partially offset the impact of high inflation and high labour costs. The business was also assisted by the UK Government energy price cap policy over the winter and with its energy hedging actions, the business partially mitigated a portion of the risk of high energy prices for much of the financial year. The cash flow from profit has allowed the business to invest in critical hotel infrastructure upgrades, driving performance through optimization of under-utilised space, plans for future selective hotel repositioning and continued debt repayments.

The outlook for the next financial year is positive despite macroeconomic challenges the business faces. Stubbornly high inflation and a high interest rate environment look set to dominate the next 12 months, while energy price volatility and recruitment challenges remain. Nevertheless, demand continues to be strong, supporting both rooms sold and average room rate growth. Employee engagement has improved as efforts to recruit and retain have been successful. The strong balance sheet and sustained cash generation have given the business a solid foundation for the next financial year. In addition, the business continues to focus on driving its ESG program. The nature of the business requires that it invests for the long term. Investment in infrastructure upgrades will reduce repair and refurbishment downtime. Together with investment in selective hotel repositioning as well as revenue optimisation strategies, the business expects to deliver incremental returns. Overall, the business is well positioned to drive future growth.

The Rank Group Plc ("Rank")

Rank's net gaming revenue increased by 6% to GBP681.9 million (approximately HK$6,454.9 million) for the year ended 30 June 2023, driven by the growth in digital business and venue business by 10% and 6% respectively. Operating margins were reduced by material increases in energy costs and wage inflation which had an incremental impact of GBP21.3 million (approximately HK$201.6 million). Coupled with impairment charges of GBP118.9 million (approximately HK$1,125.5 million) relating to the downturn in performance of Grosvenor, Enracha and Mecca venues in the current year, whilst an exceptional receipt of GBP83.1 million (approximately HK$863.4 million) after the successful conclusion of a longstanding Value Added Tax refund claim with the HM Revenue & Customs in the prior year, Rank recorded a loss after tax of GBP95.3 million (approximately HK$902.1 million) for the financial year ended 30 June 2023, as compared to a profit after tax of GBP64.9 million (approximately HK$674.3 million) in the prior year.

The number of customer visits to Grosvenor venues increased by 7% for the year, but the recovery from the combined impact of lockdowns during COVID-19 and tightened affordability restrictions has been slower than expected. Mecca venues continued the slow recovery from the impact of COVID-19, the rate of growth was 7% with the number of customer visits increased by 4%. The venue businesses of both Grosvenor and Mecca venues saw accelerated revenue recovery in the second half of the year with profit conversion improving as energy costs began to fall. In Spain, Enracha venues have continued to recover strongly and revenue was back above pre-pandemic levels, delivering a strong growth of 19% with number of customer visits increasing by 16% for the year. A number of initiatives, including energy efficiency programmes, changes to opening hours and rationalization of the food and beverage offering to reduce wastage continued to improve operating margins.

The digital business continued to perform strongly. The Mecca and Grosvenor brands are now fully operating on the RIDE platform and continued to improve their performance. The digital team is now focused on further improving the products, services and user experience for customers. Much greater personalisation has been added to the Mecca and Grosvenor sites and new live gaming tables have been added during the year. Safer gambling player journeys continue to be improved in order to help identify at risk play in real time. Similarly, in the Spanish facing digital business, YoSports was successfully launched in September 2022 in readiness for the FIFA World Cup, receiving a very positive reaction from customers.

Rank has continued to invest in the business to improve the quality of the customer proposition and to prepare for the impact of regulatory reform in the UK Government's gambling legislation review.

Financial Services

Hong Leong Financial Group Berhad ("HLFG")

The results performance of HLFG Group continued to grow for the financial year ended 30 June 2023. Profit before tax reached RM5,102.4 million (approximately HK$8,876.8 million), an increase of 5% from RM4,840.0 million (approximately HK$8,958.3 million) in the prior year. The increase was mainly contributed from the commercial banking and insurance divisions.

Hong Leong Bank Group recorded an increase of 6% in profit before tax, amounting to RM4,626.6 million (approximately HK$8,049.1 million) for the year as compared to RM4,366.8 million (approximately HK$8,028.4 million) in the prior year. The increase was mainly due to an increase in revenue of RM88.1 million (approximately HK$153.3 million), a decline in allowance for impairment losses on loans, advances and financing of RM48.2 million (approximately HK$83.9 million) and an increase in share of profit from associated companies of RM259.0 million (approximately HK$450.6 million). The profit growth, however, was offset by the increase in operating expenses of RM134.9 million (approximately HK$234.7 million).

HLA Holdings Group recorded a profit before tax of RM441.0 million (approximately HK$767.2 million) for the year, an increase of 12% as compared with RM393.7 million (approximately HK$728.7 million) in the prior year. The higher profit arose mainly from an increase in revenue of RM175.7 million (approximately HK$305.7 million), but was offset by a decrease in life fund surplus of RM68.9 million (approximately HK$119.9 million), an increase in operating expenses of RM49.5 million (approximately HK$86.1 million) and a decrease in share of profit from associated company of RM10.0 million (approximately HK$17.4 million).

Hong Leong Capital Group recorded a profit before tax of RM61.4 million (approximately HK$106.8 million) for the year, a decrease of 37% as compared to RM97.2 million (approximately HK$179.9 million) in the prior year. This was mainly due to lower contributions from the investment banking and stockbroking divisions, fund management and unit trust management divisions.

Others

The Group's wholly owned Manuka honey product producer and distributor, Manuka Health New Zealand Limited ("MHNZ"), recorded improved sales revenue across all key markets as it continued to leverage off its strong market positioning. Both direct-to-consumer capabilities and the resumption of tourism have contributed a favourable performance. However, the financial results were negatively impacted by a decrease in fair value of agricultural products under exceptional adverse weather conditions experienced during the year.

The Bass Strait oil and gas business also saw improved performance for the year due to an increase in average crude oil and gas prices.

GROUP FINANCIAL COMMENTARY

Capital Management

The consolidated total equity attributable to shareholders of the Company as at 30 June 2023 amounted to HK$59.3 billion. Net debt, being total bank loans and other borrowings less cash and short-term funds as well as trading financial assets, amounted to HK$14.4 billion. The equity-debt ratio was 80:20 as at 30 June 2023.

Liquidity and Financial Resources

The Group's total cash and short-term funds as well as trading financial assets were mostly denominated in HKD (33%), USD (30%), SGD (14%), RMB (9%) and GBP (7%) as at 30 June 2023.

The Group's total bank loans and other borrowings amounted to HK$36.9 billion as at 30 June 2023, and were mostly denominated in SGD (71%), HKD (8%), RMB (6%), GBP (6%), and USD (6%). The Group has borrowings of HK$8.0 billion payable within one 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$52.9 billion at year end.

Committed borrowing facilities available to the Group and not yet drawn as at 30 June 2023 amounted to approximately HK$12.5 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 30 June 2023, approximately 89% of the Group's bank loans and other borrowings carried interest at floating rates and the remaining 11% carried interest at fixed rates. The Group had outstanding interest rate contracts with a notional amount of HK$6.2 billion.

Foreign Currency Exposure

The Group from time to time enters into foreign exchange contracts, which are primarily over-the-counter derivatives, principally for hedging foreign currency exposure and investments.

As at 30 June 2023, there were outstanding foreign exchange contracts with a total notional amount of HK$4.6 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 the year end, the Group had around 10,500 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

The global economic outlook continues to be characterized by uncertainties. However, with inflation indicators beginning to ease and employment numbers remaining relatively resilient in the US, the Fed fund rate is expected to peak and stabilize going into the second half of the new financial year. But when it will start to come down is still unclear. Furthermore, global trade is likely to remain under pressure due to tepid overall growth in a number of major economies and persistent geopolitical tensions around the world. Different domestic challenges in key markets are also slowing their return to a sustained growth, while the operating environment remain demanding.

Notwithstanding the prevailing challenges, the Group maintains a cautiously optimistic outlook as global recovery gains momentum. We will prioritize risk management and address the diverse challenges within our businesses. This will be achieved through continued attention to cost control, cash flow and staying responsive to market dynamics. Underpinned by our strong foundation and the collective efforts of our business groups, we will fortify our resilience and aim to deliver sustainable long-term compound annual business growth.

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

Neither the Company, nor any of its other subsidiaries, purchased, sold or redeemed any of the Company's listed securities during the year ended 30 June 2023.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board has adopted a Corporate Governance Code which is based on the principles set out in Appendix 14 (the "**HKEX Code**") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company has complied throughout the year with applicable provisions of the HKEX Code.

REVIEW OF FINANCIAL INFORMATION

The Board Audit and Risk Management Committee reviewed the applicable accounting principles and practices adopted by the Company and discussed the auditing, risk management and internal controls and financial reporting matters including a review of the annual results announcement of the Company for the year ended 30 June 2023 with the auditors and management.

The financial information in the annual results announcement of the Company for the year ended 30 June 2023 had been agreed by the Group's external auditor, KPMG, to the amounts set out in the audited financial statements.

CLOSURE OF REGISTER OF MEMBERS

For ascertaining shareholders' right to attend and vote at the forthcoming annual general meeting:

Closure of register of members (both days inclusive)	13 November 2023 (Monday) to 16 November 2023 (Thursday)
Latest time to lodge transfers	4:30 p.m. on 10 November 2023 (Friday)
Annual general meeting	16 November 2023 (Thursday)

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

Closure of register of members	23 November 2023 (Thursday)
Latest time to lodge transfers	4:30 p.m. on 22 November 2023 (Wednesday)
Record date	23 November 2023 (Thursday)
Proposed final dividend payment date*	5 December 2023 (Tuesday)

*(*subject to shareholders' approval at the annual general meeting)*

During the periods of the closure of Register of Members, no share transfers will be registered. For registration, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before the aforesaid relevant latest time.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 20 September 2023

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