2024

ANNUAL REPORT

國浩集團有限公司
GuocoGroup Limited

A Member of the Hong Leong Group

(Stock Code: 53)

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Please visit our website at www.guoco.com to view the online version of this Annual Report.

CORPORATE INFORMATION

(AS AT 26 SEPTEMBER 2024)

BOARD OF DIRECTORS

Executive Chairman
KWEK Leng Hai

Executive Director & CEO
Christian K. NOTHHAFT

Non-executive Director
KWEK Leng San

Independent Non-executive Directors
David M. NORMAN
Lester G. HUANG, *SBS, JP*
Paul J.BROUGH

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE
Paul J. BROUGH – *Chairman*
David M. NORMAN
Lester G. HUANG, *SBS, JP*

BOARD REMUNERATION COMMITTEE
Lester G. HUANG, *SBS, JP – Chairman*
KWEK Leng Hai
Paul J. BROUGH

BOARD NOMINATION COMMITTEE
KWEK Leng Hai – *Chairman*
David M. NORMAN
Paul J. BROUGH

COMPANY SECRETARY
LO Sze Man, Stella

PLACE OF INCORPORATION
Bermuda

REGISTERED OFFICE
Clarendon House, 2 Church Street,
Hamilton HM 11, Bermuda

PRINCIPAL OFFICE
50th Floor, The Center
99 Queen's Road Central
Hong Kong

Telephone : (852) 2283 8833
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Website : www.guoco.com

BRANCH SHARE REGISTRAR
Computershare Hong Kong Investor Services Limited
Shops 1712-16
17th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai, Hong Kong

AUDITOR
KPMG,
Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance

FINANCIAL CALENDAR

Announcement of annual results	26 September 2024 (Thursday)
Closure of register of members for annual general meeting	8 November 2024 (Friday) to 13 November 2024 (Wednesday)
Annual general meeting	13 November 2024 (Wednesday)
Closure of register of members and record date for proposed final dividend Note	21 November 2024 (Thursday)
Payment date of proposed final dividend of HK$2.70 per share Note	3 December 2024 (Tuesday)

Note: The declaration of the proposed final dividend is subject to shareholders' approval at the annual general meeting.

Announcement of interim results	26 February 2024 (Monday)
Payment date of interim dividend of HK$0.50 per share	26 March 2024 (Tuesday)

GROUP ORGANISATION CHART

(AS AT 26 SEPTEMBER 2024)

國浩集團有限公司
GuocoGroup Limited (1)

PRINCIPAL INVESTMENT

100%
GuocoEquity Assets Limited

PROPERTY DEVELOPMENT & INVESTMENT

66.8%
GuocoLand Limited (2)

- 100% GuocoLand (Singapore) Pte. Ltd.
- 100% GuocoLand (China) Limited
- 65.0% GuocoLand (Malaysia) Berhad (3)

100%
Molokai Properties Limited

HOSPITALITY & LEISURE BUSINESS

100%
Clermont Group (Cayman) Limited

56.2%
The Rank Group Plc (4)

FINANCIAL SERVICES

25.4%
Hong Leong Financial Group Berhad (3)

64.4% Hong Leong Bank Berhad (3)
- 100% Hong Leong Islamic Bank Berhad
- 100% Hong Leong Bank Vietnam Limited
- 100% Hong Leong Bank (Cambodia) Plc.
- 19.8% Bank of Chengdu Co., Ltd. (5)

100% HLA Holdings Sdn Bhd
- 70% Hong Leong Assurance Berhad
- 65% Hong Leong MSIG Takaful Berhad
- 30% MSIG Insurance (Malaysia) Berhad
- 100% Hong Leong Insurance (Asia) Limited
- 100% HL Assurance Pte. Ltd.

70.4% Hong Leong Capital Berhad (3)
- 100% Hong Leong Investment Bank Berhad
- 100% Hong Leong Asset Management Bhd

OTHERS

100%
Manuka Health New Zealand Limited

55.1%
Bass Strait Oil & Gas Royalty

(1) Listed in Hong Kong (2) Listed in Singapore (3) Listed in Malaysia (4) Listed in London (5) Listed in Shanghai

Websites:
- Guoco Group Limited (www.guoco.com)
- GuocoLand Limited (www.guocoland.com.sg)
- GuocoLand (Malaysia) Berhad (www.guocoland.com.my)
- Clermont Hotel Group Limited (www.clermonthotel.group)
- The Rank Group Plc (www.rank.com)
- Hong Leong Financial Group Berhad (www.hlfg.com.my)
- Hong Leong Bank Berhad (www.hlb.com.my)
- Hong Leong Islamic Bank Berhad (www.hlisb.com.my)
- Hong Leong Bank Vietnam Limited (www.hlbank.com.vn)
- Hong Leong Bank (Cambodia) Plc. (www.hlb.com.kh)
- Bank of Chengdu Co., Ltd. (www.bocd.com.cn)
- Hong Leong Assurance Berhad (www.hla.com.my)
- Hong Leong MSIG Takaful Berhad (www.hlmtakaful.com.my)
- MSIG Insurance (Malaysia) Bhd (www.msig.com.my)
- Hong Leong Insurance (Asia) Limited (www.hl-insurance.com)
- HL Assurance Pte. Ltd. (www.hlas.com.sg)
- Hong Leong Capital Berhad (www.hlcap.com.my)
- Hong Leong Investment Bank Berhad (www.hlib.com.my)
- Hong Leong Asset Management Bhd (www.hlam.com.my)
- Manuka Health New Zealand Limited (www.manukahealth.com)

GROUP PROFILE

Guoco Group Limited ("Guoco") (Stock Code: 53), listed on the Main Board of The Stock Exchange of Hong Kong Limited, is an investment holding and management company with the vision of achieving long term sustainable returns for its shareholders and creating prime capital value.

Guoco's operating subsidiary companies and investment activities are principally located in Hong Kong, Mainland China, Singapore, Malaysia, the United Kingdom, Continental Europe and Australasia. Guoco has four core businesses, namely, Principal Investment; Property Development and Investment; Hospitality and Leisure Business; and Financial Services.

CORE BUSINESSES

PRINCIPAL INVESTMENT

The objective of the Group's Principal Investment is to produce attractive risk weighted returns and create capital growth through equity and direct investments in global capital markets.

Underpinned by well-trained and experienced professionals, our portfolios include long-term strategic investments and value stocks with solid fundamentals and good dividend yields. The Group's major financial exposures covering forex, interest rate and liquidity risks are managed by an experienced treasury team. The business and operations are supported by up-to-date information systems and technological infrastructure, with robust risk management and control mechanisms in place.

Guoco's Board Investment Committee, chaired by Mr. KWEK Leng Hai (Guoco's Executive Chairman), has the overall responsibility to oversee the principal investment activities of the Group and guide the process governing the Group's core investment and treasury operations.

PROPERTY DEVELOPMENT AND INVESTMENT

GuocoLand Limited ("GuocoLand") is a public company listed on the Main Board of the Singapore Exchange Securities Trading Limited since 1978. Headquartered in Singapore, GuocoLand and its subsidiaries (together "GuocoLand Group") is a leading real estate group that is focused on its twin engines of growth in property investment and property development. It develops, invests in and manages a portfolio of quality commercial and mixed-use assets providing stable, recurring rental income with potential for capital appreciation. GuocoLand Group has a strong track record in creating distinctive integrated mixed-use developments and premium residential properties that uplift and transform their local neighbourhoods. Its end-to-end capabilities span across the real estate value chain, from planning and design, property investment, property development and property management to asset management.

GuocoLand Group's investment properties are located across its key markets of Singapore, China and Malaysia, such as Guoco Tower and Guoco Midtown in Singapore, Guoco Changfeng City in Shanghai, and Damansara City in Kuala Lumpur. Iconic residential projects of GuocoLand

Group include Wallich Residence, Martin Modern, Meyer Mansion, Midtown Modern, Midtown Bay, Lentor Modern and Lentor Mansion.

GuocoLand's 65% owned subsidiary, GuocoLand (Malaysia) Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), is an established property developer of community-centric residential townships and innovative commercial and integrated property projects in Malaysia.

GROUP PROFILE

HOSPITALITY AND LEISURE BUSINESS

The Clermont Hotel Group ("CHG") is one of the largest hotel owner-operators in London with more than 5,000 rooms and over 120 meeting and event spaces across the capital city. It operates majority of its hotels under "The Clermont" and "Thistle" brands, with offerings in stellar locations in London to serve its customers' diversified needs.

The Rank Group Plc ("Rank") is a leading European gaming company, headquartered in Great Britain and listed on the London Stock Exchange. Rank offers a unique blend of gaming experiences through its three key iconic brands, Grosvenor Casinos, Mecca Bingo and Enracha, that operate from over 112 venues and complimentary digital channels in the United Kingdom and Spain. They also operate the market-leading Spanish digital bingo brand YoBingo and its sister brand YoCasino, plus multiple digital-only brands providing online bingo, casino and slot gaming. To extend the customer experience, Rank leverages on cross-channel to create a seamless, continuous and personalised customer experience across any and every device and venue.

FINANCIAL SERVICES

Hong Leong Financial Group Berhad ("HLFG"), an associated company of the Group, is an integrated financial services group listed on the Main Market of Bursa Malaysia with over 10,000 employees.

HLFG's commercial banking subsidiary, Hong Leong Bank Berhad ("HLB"), is listed on the Main Market of Bursa Malaysia. HLB Group currently operates a network of approximately 240 branches in Malaysia, Singapore, Hong Kong with its wholly-owned subsidiaries in Vietnam and Cambodia, providing comprehensive services in personal financial services, treasury, corporate and commercial banking. It was the first Malaysian bank to enter the banking sector of Mainland China in 2008 with a stake of 19.76% in the Bank of Chengdu Co. Ltd., which is listed on the Shanghai Stock Exchange.

Hong Leong Islamic Bank Berhad, a wholly-owned subsidiary of HLB, offers a comprehensive suite of Shariah compliant products and services in areas such as personal financial services-i, business and corporate banking-i and global markets-i.

HLFG's insurance interests are made up of a 70% interest in Hong Leong Assurance Berhad which provides life insurance services in Malaysia, a 30% interest in MSIG Insurance (Malaysia) Berhad which provides general insurance services in Malaysia, a 100% interest in Hong Leong Insurance (Asia) Limited which offers general insurance products in Hong Kong, a 65% interest in Hong Leong MSIG Takaful Berhad focusing on Family Takaful business and a 100% interest in HL Assurance Pte. Ltd. which provides general insurance services in Singapore.

HLFG's other financial services interests are held through Hong Leong Capital Berhad ("HLCB") which is listed on the Main Market of Bursa Malaysia. HLCB has two main subsidiaries namely, Hong Leong Investment Bank Berhad ("HLIB") and Hong Leong Asset Management Bhd ("HLAM"). HLIB provides investment banking, stockbroking business, futures broking and related financial services, while HLAM is involved in unit trust management, fund management and sale of unit trusts, with its wholly-owned subsidiary providing Islamic fund management service.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. KWEK Leng Hai

Aged 71, the Executive Chairman of the Board of Directors (the "Board") of Guoco Group Limited ("Guoco"), the Chairman of the Board Nomination Committee ("BNC") and a member of the Board Remuneration Committee ("BRC") of Guoco since 1 September 2016. He was appointed to the Board in 1990 and assumed the position of the President, CEO of Guoco from 1995 up to 1 September 2016. He is also a non-executive director of GuocoLand Limited ("GuocoLand", Guoco's subsidiary listed on Singapore Exchange Securities Trading Limited ("SGX-ST")). He is a director and shareholder of GuoLine Capital Assets Limited ("GCAL"), the ultimate holding company of Guoco. He serves as a non-executive director of Hong Leong Bank Berhad ("HLBB", a subsidiary listed on Bursa Malaysia Securities Berhad ("Bursa Malaysia") of Hong Leong Financial Group Berhad ("HLFG", Guoco's associated company listed on Bursa Malaysia)) and Bank of Chengdu Co., Ltd. (an associated company of HLBB and listed on the Shanghai Stock Exchange) and as the chairman of Lam Soon (Hong Kong) Limited ("LSHK", a Hong Leong Group subsidiary listed on The Stock Exchange of Hong Kong Limited ("HKEX")). Mr. Kwek qualified as a chartered accountant of the Institute of Chartered Accountants in England and Wales. He has extensive experience in various business sectors, including but not limited to finance, investment, manufacturing and real estate. He is a brother of Mr. KWEK Leng San.

Mr. Christian Karl NOTHHAFT

Aged 59, an Executive Director and the Chief Executive Officer of Guoco since April 2024. He also serves as a non-executive director of LSHK.

Mr. Nothhaft graduated from Munich University of Applied Science in Germany with a Bachelor of Arts Degree in Hospitality and Tourism Management and also holds a Human Resources/Payroll Management Degree from DGFP (German Association for Human Resource Management). He has also attended the Harvard University Young Presidents Organisation (YPO) Program. Mr. Nothhaft has extensive experience in business management and advisory, strategic planning, retail, consumer products, network rollouts, e-commerce, digital transformation, people management, ESG and compliance.

Mr. Nothhaft was the Chief Executive Officer of Watsons Personal Care Stores, China and the managing director of Watsons Wine and Fortress Hong Kong. Before that, he was the regional managing director of Movenpick (Asia Restaurants Group). He is currently an independent non-executive director and a member of the Remuneration and Nominations Committees of DFI Retail Group Holdings Limited, with primary listing on London Stock Exchange and secondary listings in Singapore and Bermuda.

Mr. KWEK Leng San

Aged 69, a Non-executive Director of Guoco since 1990. He is the chairman of Malaysian Pacific Industries Berhad, Hong Leong Industries Berhad, Hume Cement Industries Berhad and Southern Steel Berhad (all being members of Hong Leong Group). He is also a shareholder of GCAL. He graduated from University of London with a Bachelor of Science (Engineering) and also holds a Master of Science (Finance) from City University London. He has extensive business experience in various business sectors, including financial services and manufacturing. He is a brother of Mr. KWEK Leng Hai.

Mr. David Michael NORMAN

Aged 68, an Independent Non-executive Director since July 2013 and a member of both the Board Audit and Risk Management Committee ("BARMC") and the BNC of Guoco. He is a member of both the Takeovers Appeal Committee and Takeovers and Mergers Panel of the Securities and Futures Commission of Hong Kong ("SFC") for a term from 1 April 2024 to 31 March 2026. He was the chairman of the Share Registrars' Disciplinary Committee of the SFC from 1 April 2019 to 31 March 2021. Mr. Norman studied philosophy and psychology at Oxford University in the United Kingdom and was admitted as a solicitor in the United Kingdom and Hong Kong in 1981 and 1984 respectively. He was a partner of an international law firm until he resigned in 2010. Mr. Norman was a non-executive director of South China Holdings Company Limited (listed on HKEX) up to 31 December 2022. Mr. Norman has extensive experience in mergers and acquisitions and corporate finance.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Lester Garson HUANG, *SBS, JP*

Aged 64, an Independent Non-executive Director of Guoco since November 2019. He is the Chairman of the BRC and a member of the BARMC of Guoco.

Mr. Huang is a practicing solicitor and notary public, and is currently the Managing Partner and Co-Chairman of P. C. Woo & Co., a solicitor firm in Hong Kong. Mr. Huang became a qualified solicitor of Hong Kong in March 1985 and has over 30 years of post-qualification experience. Mr. Huang graduated with a Bachelor of Laws degree from the University of Hong Kong in 1982 and a Master of Education degree from the Chinese University of Hong Kong in 2006.

In 2002, the Government of the Hong Kong Special Administrative Region ("The Government of HKSAR") appointed Mr. Huang as a Justice of the Peace. In July 2018, The Government of HKSAR awarded him a Silver Bauhinia Star for his public services.

Mr. Huang's public roles include serving as the chairman of the Council of City University of Hong Kong and Social Welfare Advisory Committee of the Labour and Welfare Bureau. He is also a director of Lei Foundation Limited, a Steward of The Hong Kong Jockey Club ("HKJC") and a director of certain group companies of HKJC. He is also a director of Pacific Basin Economic Council Limited up to September 2024.

Mr. Huang was admitted to the Roll of Honour of the Law Society of Hong Kong ("Law Society") in May 2021. Previously, he was the president of the Law Society from 2007 to 2009. He was also a non-executive director of the SFC and chaired the Investor and Financial Education Council (a subsidiary of the SFC). Mr. Huang was a member of the Hospital Authority and the Hong Kong Monetary Authority's Exchange Fund Advisory Committee as well as a non-executive director of the Urban Renewal Authority. He also served as a member of the Standing Committee on Judicial Salaries and Conditions of Service and other public positions.

Mr. Huang is an independent non-executive director of LSHK and Kidsland International Holdings Limited (listed on HKEX). He was also an independent non-executive director of Top Glove Corporation Bhd. (listed on Bursa Malaysia and SGX-ST) until he resigned on 13 September 2022.

Mr. Paul Jeremy BROUGH

Aged 67, an Independent Non-executive Director of Guoco since November 2021 and Chairman of the BARMC and a member of each of the BRC and BNC of Guoco. He graduated with a Bachelor's Degree (Honours) in Business Studies. He is an associate member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants.

Mr. Brough joined KPMG Hong Kong in 1983 and held appointments as Head of Consulting in 1995 and as Head of Financial Advisory Services in 1997. In 1999, he was appointed the Asia Pacific Head of KPMG's Financial Advisory Services and a member of its global advisory steering group. He held the position of Regional Senior Partner of KPMG Hong Kong from 2009 before retiring in March 2012.

Mr. Brough is currently an independent non-executive director and the chairman of each of the audit committee and the remuneration and nomination committee of Vitasoy International Holdings Limited (listed on HKEX), as well as an independent non-executive director, the chairman of the audit committee and a member of the risk committee of The Hongkong and Shanghai Banking Corporation Limited. He is also an independent non-executive director and the chairman of the audit committee of The Executive Centre Limited; an independent non-executive director of Eagle Investments Holdco (the investment holding company of The LYCRA Company) and Pacific Primary Health Care Holdings Limited as well as a director of Blue Willow Limited, all being privately-owned companies. He also serves as a director of Run Hong Kong Limited, a Hong Kong-based non-profit organisation serving the needs of refugees and asylum seekers.

Mr. Brough was an independent non-executive director of Toshiba Corporation (delisted from the Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. on 20 December 2023) until he resigned on 22 December 2023. He was also an independent non-executive director and the chairman of the board risk and credit committee of Habib Bank Zurich (Hong Kong) Limited (a Hong Kong based restricted-licence bank) up to 28 February 2023 and the chairman of the general committee of The Hong Kong Club up to 11 May 2023.

FINANCIAL HIGHLIGHTS

	2024 HK$'M	2023 (Restated) HK$'M	Increase/ (Decrease)
Turnover	**25,786**	22,023	17%
Revenue	**22,526**	19,508	15%
Profit from operations	**2,940**	1,719	71%
Profit attributable to equity shareholders of the Company	**3,581**	3,400	4%
	HK$	HK$	
Earnings per share	**11.01**	10.58	4%
Dividend per share:			
Interim	**0.50**	0.50	
Proposed final	**2.70**	2.50	
Total	**3.20**	3.00	7%
Equity per share attributable to equity shareholders of the Company	**186.46**	180.86	3%

TEN-YEAR SUMMARY

US$'000

Years	Total assets	Total liabilities	Total equity attributable to equity shareholders of the Company	Profit/(loss) for the year attributable to equity shareholders of the Company	Dividend per ordinary share US$
2015	16,511,383	7,053,466	7,538,536	596,590	0.52
2016	14,709,370	5,628,729	7,239,547	397,967	0.52
2017	16,483,381	6,577,487	7,934,057	784,639	0.51
2018	16,809,305	6,022,532	8,344,386	624,297	0.51
2019	16,000,870	5,615,500	7,572,112	431,501	0.51
2020	16,423,552	6,873,157	7,241,321	(112,607)	0.32
2021	16,968,465	7,052,475	7,699,465	322,103	0.26
2022	16,602,327	7,000,306	7,357,199	249,863	0.25
2023	16,947,263	7,055,833	7,594,831	438,974	0.38
2024	17,350,790	7,227,090	7,857,223	458,581	0.41

HK$'000

Years	Total assets	Total liabilities	Total equity attributable to equity shareholders of the Company	Profit/(loss) for the year attributable to equity shareholders of the Company	Dividend per ordinary share HK$
2015	127,997,067	54,678,822	58,439,108	4,624,794	4.00
2016	114,132,208	43,674,152	56,172,731	3,087,886	4.00
2017	128,657,732	51,339,258	61,927,695	6,124,343	4.00
2018	131,902,616	47,258,808	65,478,397	4,898,859	4.00
2019	124,917,992	43,839,928	59,115,100	3,368,708	4.00
2020	127,284,169	53,267,653	56,120,962	(872,716)	2.50
2021	131,753,344	54,759,648	59,783,266	2,501,001	2.00
2022	130,246,086	54,917,751	57,717,594	1,960,186	2.00
2023	132,798,754	55,289,508	59,513,096	3,439,799	3.00
2024	135,487,981	56,434,539	61,355,090	3,580,943	3.20

CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Board"), I am pleased to present the Annual Report of the Company and its subsidiaries (the "Group") for the financial year ended 30 June 2024 ("FY2024").

OVERVIEW

During the fiscal year, the global economy remained resilient with steady growth and a gradual slowdown in inflation, potentially paving the way for interest rate cuts. However, continued high interest rates and geopolitical conflicts continued to cause global uncertainty. Moreover, the economic recovery in Mainland China and Hong Kong has also been unfolding at a pace slower than initially foreseen.

Nonetheless, our business groups exercised prudence and vigilance in navigating these obstacles and recorded an overall stable performance for the year. Revenue has increased by mid-double digits, primarily fueled by the Group's Property Development and Investment and Hospitality and Leisure segments. Although weakened profit in the former has partially offset the positive performances of our other business segments, including Principal Investment, Hospitality and Leisure, Financial Services and Others, this has yielded a 4% growth in profit attributable to shareholders, amounting to HK$3,580.9 million for the current financial year. We will continue to drive business growth on the back of our strengthening fundamentals.

DIVIDEND

The Board would like to recommend a final dividend of HK$2.70 per share (FY2023: HK$2.50 per share) for shareholders' approval at the forthcoming annual general meeting. Together with the interim dividend of HK$0.50 per share paid in March 2024, the total dividend for the year will be HK$3.20 per share (FY2023: HK$3.00 per share).

CORE BUSINESSES

Principal Investment

The Principal Investment segment noted a consistent theme of divergence in the global equity markets during the fiscal period. While robust performance was evident in the US amidst the volatile market, Mainland China and Hong Kong trended downwards. Our investment strategy, which is anchored in companies with solid fundamentals, enabled us to withstand short-term market fluctuations. The investment team also took measures to achieve a more balanced portfolio across the US and Asian markets, and across industry sectors. With judicious management, the segment achieved a pre-tax profit of HK$1,850.0 million for FY2024. Maintaining a measured outlook and disciplined approach, we will continue to adhere to our investment process, seeking quality compounders with valuations justified by sustainable earnings growth for the long term.

"We believe that the key to ensuring sustainability is the continued co-existence of entrepreneurialism together with professional business management, discipline and governance. This will enable our businesses to achieve sustainable compound growth in revenue, profits and cashflow."

CHAIRMAN'S STATEMENT

Property Development and Investment

GuocoLand Limited ("GuocoLand")

Despite challenges posed by inflation and high interest rates, GuocoLand 's property investment and property development businesses continued to forge ahead, achieving revenue growth and improved operating profit for the year. The high-quality investment property portfolio of GuocoLand in Singapore and China has expanded further to now comprise a total net lettable area of over 2.5 million square feet. Its properties remain sought after, with flexible work arrangements having only minimal impact on premium grade offices. Commanding high occupancy rates and favourable rental reversions, GuocoLand's investment properties have ensured a stable stream of recurring income to the Group.

GuocoLand's property development projects maintained positive momentum. The 75% sales achieved at Lentor Mansion in Singapore within a single weekend launch reflected the robust product strength and solid branding of GuocoLand as a quality property developer. In response to Mainland China's property market challenges, GuocoLand acted swiftly by deploying a competitive sales strategy that led to increased sales and reduced gearing. In view of market uncertainty, an allowance for foreseeable losses was provided in respect of its development properties in Mainland China.

GuocoLand also sharpened its investment focus over the course of the year, divesting its entire stake in Eco World International Berhad to reallocate funds to other higher-potential investments. Strategic actions were concurrently taken to drive portfolio growth, by replenishing land in prime locations in Singapore, such as Upper Thomson Road, and by taking an interest in the new Margaret Drive project. GuocoLand is poised to enhance its offerings by integrating affordability and innovative features to adapt to changing market dynamics and fulfilling demand. We are confident that GuocoLand's market standing will continue to strengthen under its twin-engine strategy.

CHAIRMAN'S STATEMENT

Hospitality and Leisure

The Clermont Hotel Group ("CHG")

CHG delivered another year of strong performance in FY2024. Despite the deceleration of room rate growth across London due to the easing of post-pandemic pent-up demand, CHG achieved a high room occupancy rate of 85% by implementing a volume-oriented strategy which fueled revenue growth. During the year, stabilization of interest rates and inflation levels have provided some relief from cost pressures. Nevertheless, management remained committed to effective cost control measures and utilized scale efficiencies due to higher occupancy levels to enhance profitability, resulting in another year of double-digit growth in underlying post-tax profit. Increased cash generation enabled further investment in estate infrastructure upgrades, boosting higher returns from refurbished F&B facilities and improved room rates.

Moreover, we are excited that CHG was officially named one of the UK's Best Workplaces 2024 by "A Great Place To Work". This underscored its commitment to reinforcing staff engagement and welfare as people play a pivotal role in elevating service quality at its hotels and in driving customer satisfaction. Going forward, CHG will uphold an adaptive management approach to enable swift response to changes in the market and maintain growth into FY2025.

The Rank Group Plc ("Rank")

After navigating through a challenging few years, Rank made good progress in rebuilding revenue and profitability across the business following the emergence from lockdowns and easing of inflationary pressures. Trading continues to improve with ongoing enhancements to products and facilities within the venues, driving customer flow and consistent revenue growth. Despite the enduring pressure from high operating costs, operating profit more than doubled over the previous year, reflecting the significant operating leverage in the business. The continued development of proprietary technology also facilitated the growth of Rank's digital business in Spain and the UK. The digital business has now become a key profit contributor, accounting for 30.8% of the overall business, in terms of operating profit. Rank will soon further grow its exposure in selected new markets with the launch of the YoBingo brand in Portugal.

The UK general election in July led to a delay in implementing the much-needed land-based gambling reforms. Despite this, Rank's unique position as both an offline and online gaming operator, along with a sound strategy for both segments, and a strong brand portfolio across different geographies, will help it weather uncertainties arising from political changes while maximizing new opportunities.

Financial Services

Hong Leong Financial Group Berhad ("HLFG")

Despite uncertainties in the global landscape, Malaysia's economic growth has continued steadily, supported by rising domestic demand as well as trade and investment activities. HLFG has sustained positive performance against this backdrop, registering consistent profit growth for the year with improved contributions from across its operating companies. This can be attributed to its banking group's strategic focus on targeted segments, new product innovation, and prioritization of customer-centric approaches. Looking ahead, HLFG will stay committed to cost discipline and sound asset quality management, while maintaining its robust capital and liquidity position to support asset growth. At the same time, investment in human capital and technology will also be continued to enhance operational resilience and seize opportunities for progress.

Others

Manuka Health New Zealand Limited ("MHNZ")

After a challenging FY2023, MHNZ achieved improved results for the current fiscal year. Leveraging on its premiumization strategy and a robust market positioning, MHNZ has mitigated contraction in sales in the face of strong competition in key markets. The investment in new product development also yielded positive outcomes in diversifying its product portfolio targeting the premium segment. Additionally, improved weather conditions and optimisation of its apiculture business have driven strong performance this year, resulting in high-quality yields that are evident in its premium products. These advancements are set to strengthen MHNZ's position for further growth and enhanced profitability.

CHAIRMAN'S STATEMENT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

With a steadfast commitment to sustainability, the Group proactively aligns with evolving industry and regulatory trends to drive enduring growth and meet stakeholder expectations. This year, we have been active in preparing our implementation roadmap for the new climate disclosure regulations mandated by the Hong Kong Stock Exchange. Acknowledging the growing significance of climate impact on businesses, we also reviewed and updated our Climate Risk Management Policy to provide more comprehensive guidance on integrating climate risk management within our ERM framework. Interestingly, our first corporate ESG campaign has also been launched this year to enhance environmental awareness among our headquarters staff and to cultivate an environmentally conscious culture in our workplace.

STRATEGIC OVERVIEW

The Group's philosophy continues to embody an entrepreneurial vision focused on building long-term sustainable value for all its stakeholders. This vision guides our operating businesses to remain relevant, to be trustworthy, progressive, competitive and sustainable in pursuit of growth and the creation of business value. We will also continue the journey to incorporate digital technology as part of Group's business strategy. Ultimately, the quality of our people forms the bedrock of our business strategies. Our businesses are best served by having the right talent for the right roles, with promotion of a high-performance culture and shared values that bind us together in the workplace. We believe that the key to ensuring sustainability is the continued co-existence of entrepreneurialism together with professional business management, discipline and governance. This will enable our businesses to achieve sustainable compound growth in revenue, profits and cashflow.

GROUP OUTLOOK

With ongoing geopolitical challenges including conflicts in the Middle East and Ukraine, political leadership elections in 2024 and uncertainties surrounding further Federal Reserve rate cuts, the global economic outlook is expected to remain uncertain for the forthcoming fiscal year. Nonetheless, new opportunities for growth and value creation could be unveiled as we navigate the evolving market landscape. Our presence in both Western and Asian markets, facilitated by our operational strengths, has provided us with a strategic advantage. This market diversification not only broadens our horizons but also facilitates our ability to mitigate potential downsides across regions and sectors. We maintain a cautiously optimistic outlook for FY2024/25 amid these challenges and remain vigilant in managing our business. With an entrepreneurial spirit, we will persist in our pursuit for growth and prime value.

BOARD RENEWAL

We would like to welcome Mr. Christian NOTHHAFT, who joined the Company as an Executive Director and Chief Executive Officer in April this year. He brought with him extensive experience in business management, and we look forward to his contribution.

APPRECIATION

During the year, Mr. CHEW Seong Aun retired as the Group Chief Financial Officer and relinquished his position as an Executive Director of the Company. Mr. David M. NORMAN who has served as our independent non-executive director for more than 11 years has indicated his intention of not offering himself for re-election after his retirement by rotation at the forthcoming annual general meeting to be held in November 2024. We thank Mr. Chew and Mr. Norman for their valuable contributions to the Group during their tenure in office.

I would like to extend my appreciation to the Board for their ongoing wise counsel and guidance, and to our global colleagues for their hard work and contributions. I would also like to express thanks to our shareholders, business partners and customers for their trust and support throughout the year.

KWEK Leng Hai
Executive Chairman
26 September 2024

MANAGEMENT DISCUSSION AND ANALYSIS

PRINCIPAL INVESTMENT

MANAGEMENT DISCUSSION AND ANALYSIS

PRINCIPAL INVESTMENT

In the first half of the financial year, global equity markets, with the exception of China and Hong Kong, closed the calendar year strongly with positive returns despite the fluctuations experienced throughout the period. Overall market sentiment was buoyant heading into the second half of the financial year due to a United States Federal Reserve pivot and a market response that started pricing in several rate cuts for calendar 2024. However, the strong labour market and underestimation of inflation in the first quarter of the calendar year led to an expectation that interest rates would remain "higher for longer". After multiple overshoots, concerns about a persistent inflationary environment drove 10 year treasury yields to as high as 4.7% in April which consequently put pressure on the US equity markets. Nevertheless, inflation began to subside in May and June which led to a strong recovery such markets.

In Asia, the China and Hong Kong markets were on a downtrend for the majority of the first half 2024 as the macroeconomic data was disappointing with little prospect of a turnaround of the property sector. Into the second half of the financial year, the Chinese economy saw marginal improvement but personal consumption and the property sector remained under considerable pressure. It was only in April 2024 that policy optimism led to a rebound in the equity markets. Nevertheless, the impact of new property market measures proved to be short-lived and these gains proved temporary. The MSCI China Index had fallen 4.5% at the end of the Group's financial year.

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. The Principal Investment segment recorded a pre-tax profit of HK$1,850.0 million for the year ended 30 June 2024, primarily due to unrealised mark-to-market valuations and dividend income received in the financial year.

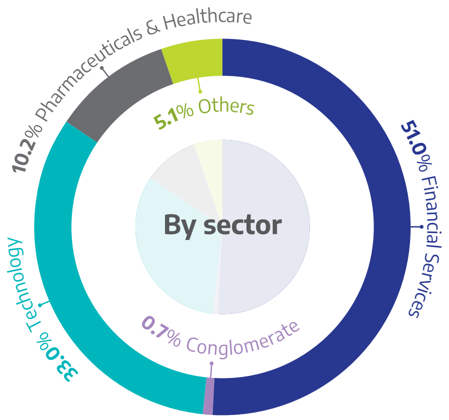
The Principal Investment segment remains focused on investing in high-quality companies expected to create shareholder value over the long term, with the potential to produce tangible returns for the Group. Having said that, shareholders are reminded that this segment's results are subject to fair valuation adjustments and will therefore remain volatile.

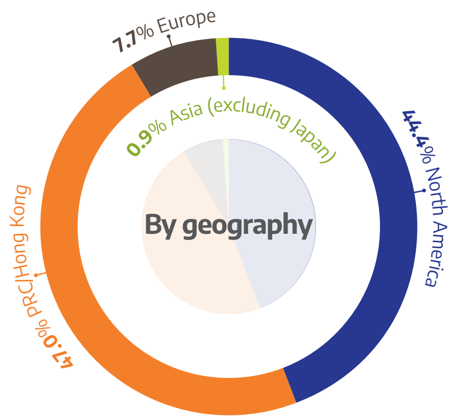
Group Treasury maintained a cautious stance. Net interest expense and foreign exchange exposures were managed, although they remained subject to market volatility.

Investment Portfolio

As of 30 June 2024, the Group's total investments under the Principal Investment amounted to US$1,859 million consisting of a trading investment portfolio and a long-term investment portfolio. No single investment accounted for a value of 5% or more of the Group's total asset value as at 30 June 2024.

The trading investment portfolio consists of around 40 securities; the analyse by sector and geography are as follows:





The long-term investment portfolio consists of four securities, mainly represented by an investment in a financial services company listed in Hong Kong.

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY DEVELOPMENT AND INVESTMENT

Left: Midtown Bay, Singapore
Right: Guoco Midtown Office Tower, Singapore

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY DEVELOPMENT AND INVESTMENT

GuocoLand Limited ("GuocoLand")

For the year ended 30 June 2024, GuocoLand's revenue increased by 18% to S$1,818.9 million (approximately HK$10,544.6 million) as compared to the prior year. This was mainly due to the continued growth in both the property development and property investment businesses.

Revenue from GuocoLand's property development increased by 16% to S$1,516.6 million (approximately HK$8,792.1 million) driven mainly by robust sales and higher progressive recognition from its residential developments in Singapore including Midtown Modern, Lentor Modern and Lentor Mansion, all of which have been substantially sold. In addition, property development revenue from China increased by 19% as compared to the prior year, mainly contributed by sales of the Guoco 18T project in Chongqing. Revenue from GuocoLand's investment properties increased by 35% to S$228.8 million (approximately HK$1,326.4 million) supported mainly by the higher recurring rental income from the progressive commencement of leases at Guoco Midtown. The revenue from Guoco Changfeng City's South Tower in Shanghai also increased by 48% to S$20.7 million (approximately HK$120.0 million) as its operations stabilised.

GUOCO MIDTOWN

TOTAL OFFICE NET LETTABLE AREA:
709,000 sq ft

TOTAL RETAIL CLUSTERS NET LETTABLE AREA:
50,000 sq ft

MIDTOWN MODERN

TOTAL NO. OF UNITS:
558

MIDTOWN BAY

TOTAL NO. OF UNITS:
219

Guoco Midtown, Singapore

MANAGEMENT DISCUSSION AND ANALYSIS

LENTOR MODERN

TOTAL NO. OF UNITS:
605

LENTOR MANSION

TOTAL NO. OF UNITS:
533

The North Tower of Guoco Changfeng City, a high-rise office tower in Shanghai, commenced leasing operations in the second half of the financial year. As such, it was transferred from properties held for sale to investment properties at fair value and a gain of S$123.7 million (approximately HK$717.1 million) was recognised in gross profit during the year.

Whilst sales of GuocoLand's residential developments in China has progressed satisfactorily resulting in improved liquidity and reduced gearing, market conditions in the real estate sector in China remain uncertain. In view of the prevailing uncertain outlook, GuocoLand recognised an allowance for foreseeable losses of S$103.8 million (approximately HK$601.8 million) in the second half of the financial year on its China development properties.

Other expenses decreased by 49% to S$23.4 million (approximately HK$135.7 million) mainly due to an impairment loss recorded on an overseas joint venture in the prior year.

The valuation surplus on investment properties decreased by 74% to S$40.2 million (approximately HK$233.1 million) mainly due to the slower growth in the property market in Singapore.

Finance costs increased by 60% to S$239.5 million (approximately HK$1,388.4 million), mainly due to the interest expense of Guoco Midtown, which was capitalised during construction, and, since completion, has been recognised in the profit and loss account in the current year. The higher interest rate environment also resulted in an increase in finance costs.

Overall, GuocoLand's profit attributable to equity holders decreased by 38% to S$129.0 million (approximately HK$747.9 million), as compared to the prior year.

Lentor Mansion, Singapore (Artistic Impression)

MANAGEMENT DISCUSSION AND ANALYSIS

In Singapore, statistics provided by the Urban Redevelopment Authority indicate that overall prices of non-landed properties increased at a slower pace during the financial year. The non-landed private residential market is expected to continue to moderate and prices are predicted to remain stable, as high interest rates, property cooling measures and new housing supply have moderated buying sentiment towards non-landed homes. However, attractively priced projects in good locations with attractive design continue to draw relatively strong demand. The office market was resilient during the financial year as most corporate tenants renewed leases owing to cost containment pressures amid an uncertain environment. Some companies still opted to relocate into better quality offices in more desirable locations so as to pursue new workspace strategies, as well as to attract and retain talent. Rental growth may be moderate in future due to new office supply. Analysts expect the office sector to continue to be dominated by renewals with few relocations from large tenants, and office rents to remain flat.


Damansara City, Malaysia

In China, a slew of policies to bolster the real estate sector has been rolled out. In the first half of 2024, most real estate indicators continued on a downward trend. According to the official data, July new home prices decreased by 0.5% and 0.6% quarter-on-quarter in first tier and second tier cities respectively. According to analysts, Grade A office net absorption in Shanghai increased in the second quarter of 2024 nearly doubling the level achieved in the prior quarter. With a high supply of offices in Shanghai, analysts expect rental growth to be subdued.

In Malaysia, official forecasts indicate GDP will grow between 4% and 5% for 2024 and data shows the residential property market improved in the first quarter of 2024 following increased sales volume. However, challenges remain due to elevated interest rates, rising construction costs, and an oversupply of properties in most markets. According to analysts, for the first half of 2024, the overall Klang Valley office market experienced modest improvements in both occupancy and rental rates. Nevertheless, the outlook for the office sector remains challenging given an oversupply situation.


Chongqing GuocoLand 18T, China (Artistic Impression)

MANAGEMENT DISCUSSION AND ANALYSIS

The Tower Hotel, UK

HOSPITALITY AND LEISURE

Mecca Club, Luton, UK

MANAGEMENT DISCUSSION AND ANALYSIS

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 GBP39.2 million (approximately HK$385.9 million) for the year ended 30 June 2024, compared to GBP36.5 million (approximately HK$345.5 million) for the prior year.

The combined effect of above-market rate growth and the implementation of a volume strategy to drive occupancy led double digit year-on-year growth in top-line revenue. Scale benefits from higher levels of occupancy were reflected in the cost base. The business has also maintained efforts to control costs, through contract negotiations, supplier tenders, energy hedging and realising operational efficiencies. These actions have helped to offset the continued challenges of increased labour costs, high energy costs and inflationary challenges, particularly for food, beverages and laundry.

Despite inflation receding in the second half of the financial year, interest rates remain high. However, strong cash generation has allowed the business to reduce its debt by over a third in less than 12 months. This has been achieved at the same time as stepping up investment in capital expenditure to repair and refurbish the estate. Some of these projects have been started and completed during the year, driving incremental returns at specific food and beverage outlets. Other projects are longer term, such as selective hotel repositioning or infrastructure upgrades, and work on these projects continues.

In March 2024, CHG was officially named as one of the UK's Best Workplaces 2024 by "A Great Place To Work", an independently recognised measure of workplace culture. The results showed that 76% of its employees expressed that CHG is a great place to work, compared with 54% of employees at a typical UK-based company. This recognition highlights the high levels of employee engagement and supports the business's recruitment efforts in what is a competitive labour market.

Looking ahead to the current year and beyond, CHG's improved financial footing, cautious optimism about the London market, and a highly engaged and motivated team has laid a solid foundation for the future growth of the business.

The Clermont London, Charing Cross, UK

MANAGEMENT DISCUSSION AND ANALYSIS

The Rank Group Plc ("Rank")

Rank's net gaming revenue increased by 8% to GBP734.7 million (approximately HK$7,232.2 million) for the year ended 30 June 2024 due to the growth across all of the business units. Operating profit increased to GBP46.3 million (approximately HK$455.8 million), more than double GBP18.5 million (approximately HK$175.1 million) recorded in the prior year, reflecting the significant operating leverage in the business.

The number of customer visits to Grosvenor venues increased by 9% and the spend per visit decreased by 1%. The business continues to recover from the impact of COVID-related lockdowns, the slow return of international customers, particularly to London's casinos, and the tightening of affordability restrictions in recent years. For Mecca venues, the number of customer visits increased slightly by 2% and the spend per visit increased by 6%. In Spain, the number of customer visits to Enracha venues increased by 6% and the spend per visit increased by 1%.

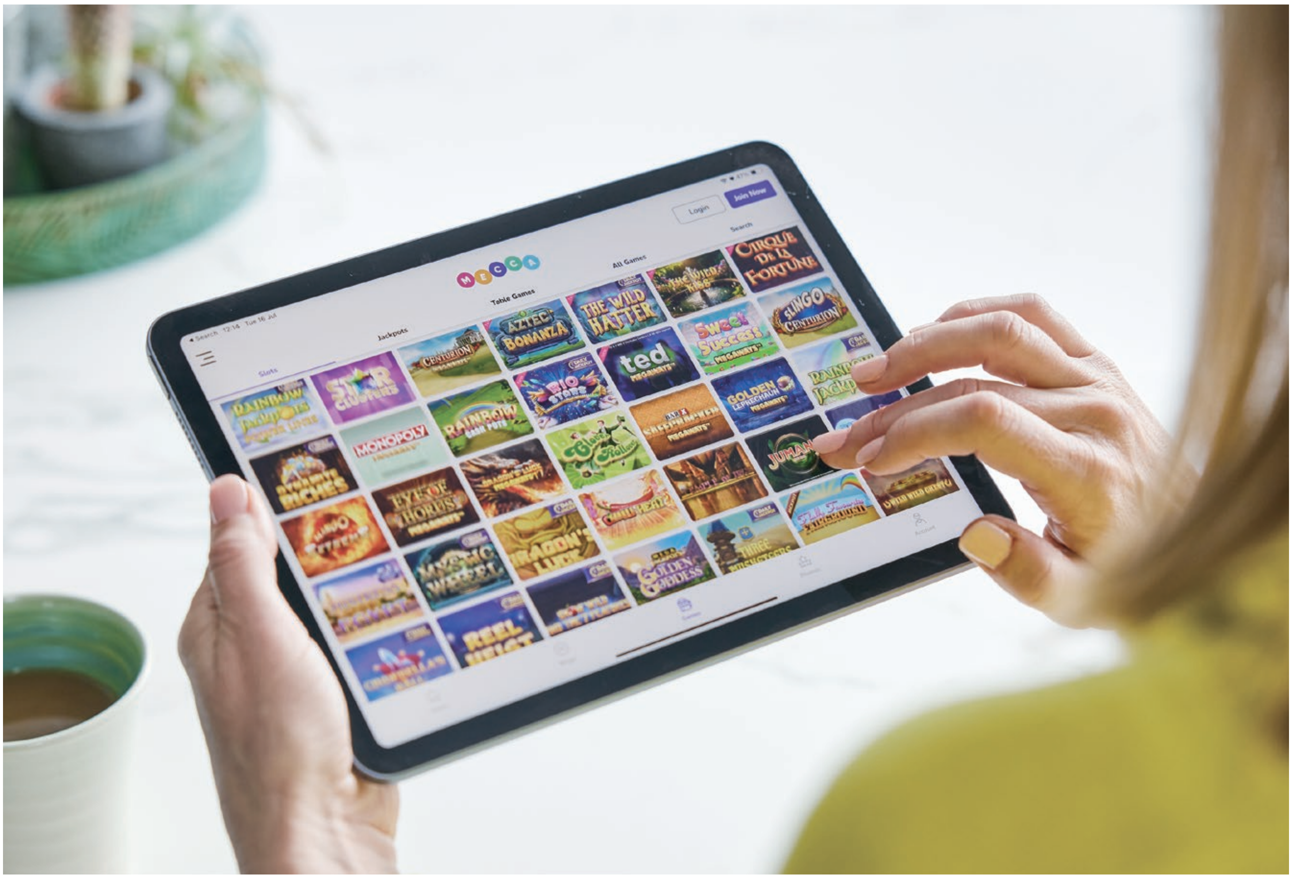
Grosvenor Casinos

Mecca

Enracha

Grosvenor Casino, Gloucester Road, UK

MANAGEMENT DISCUSSION AND ANALYSIS



The digital business continued to perform strongly with notable growth in Grosvenor and Mecca cross-channel brands and in the Yo brand in Spain. Grosvenor and Mecca cross-channel brands recorded an increase of 21% and 20% in net gaming revenue respectively, while the Yo and Enracha brands recorded an increase of 16% in net gaming revenue. Driving the growth in customers and revenues in the UK was the delivery of some key technology developments including a new single content management system serving all the proprietary technology brands, the launch of the first in-house developed app for the Grosvenor brand and a successful establishment of a central engagement platform (a single customer database serving all UK facing businesses).

In addition to providing operational efficiencies and speed to market of new front-end developments, these technology developments also deliver faster webpage loads for customers.

Rank has a strong three-year programme of growth initiatives in place for each of its businesses. The programme includes a focus on cash maximisation in land-based bingo, recovery and growth in the Grosvenor venues business, scaling the digital business both in the UK and internationally, and maximising opportunities from the anticipated land-based legislative reforms for the UK's casino and bingo sectors.

Digital

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL SERVICES

Hong Leong Bank Berhad, Malaysia

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL SERVICES

Hong Leong Financial Group Berhad ("HLFG")

HLFG Group recorded a profit before tax of RM5,845.6 million (approximately HK$9,730.8 million) for the year ended 30 June 2024, an increase of 11% from RM5,251.3 million (restated) (approximately HK$9,135.9 million) in the prior year. The increase was due to higher contribution from across all operating divisions.

Hong Leong Bank Group recorded an increase of 11% in profit before tax, amounting to RM5,134.2 million (approximately HK$8,546.6 million) for the year ended 30 June 2024 as compared to RM4,626.6 million (approximately HK$8,049.1 million) for the prior year. The increase was mainly due to an increase in revenue of RM85.5 million (approximately HK$142.3 million), an increase in share of profit from an associated company by RM299.5 million (approximately HK$498.6 million) and an improvement in allowance of impairment losses by RM228.2 million (approximately HK$379.9 million). The profit growth, however, was partly offset by an increase in operating expenses of RM105.6 million (approximately HK$175.8 million).

HLA Holdings Group recorded a profit before tax of RM606.2 million (approximately HK$1,009.1 million) for the year ended 30 June 2024, an increase of 3% as compared to RM589.9 million (restated) (approximately HK$1,026.3 million) for the prior year. The increase was mainly due to an increase in investment income of RM683.1 million (approximately HK$1,137.1 million) and an increase in share of profit from an associated company of RM22.7 million (approximately HK$37.8 million). The increase, however, was largely offset by an increase in insurance/reinsurance finance expenses and others of RM579.6 million (approximately HK$964.8 million) and a decrease in insurance service income of RM109.9 million (approximately HK$182.9 million).

Hong Leong Capital Group recorded a profit before tax of RM121.9 million (approximately HK$202.9 million) for the year ended 30 June 2024, an increase of 98% as compared to RM61.4 million (approximately HK$106.8 million) for the prior year. This was mainly due to fair value gain on investment and an increase in contribution from across all operating divisions.

MANAGEMENT DISCUSSION AND ANALYSIS

OTHERS

The Group's wholly-owned Manuka honey product producer and distributor, Manuka Health New Zealand Limited ("MHNZ"), recorded an improvement in profit for the year by emphasising its premium positioning and broadening its product range, which mitigated the impact from a contraction in revenue in the face of market competition. Benefiting from favorable weather conditions and optimization of apiculture practices, MHNZ has also seen an improvement in the quality of its yields this year.

The Bass Strait oil and gas business, however, recorded a decrease in its results for the year ended 30 June 2024 due to a fall in average crude oil and gas prices.

GROUP FINANCIAL COMMENTARY

Financial Results

The Group recorded an audited consolidated profit attributable to shareholders of HK$3,580.9 million for the year ended 30 June 2024, representing an increase of 4% versus the prior year. This is mainly attributable to the favorable performances of most of the Group's segments, partially offset by the reduced profit from the Property Development and Investment segment and Others segment. Basic earnings per share amounted to HK$11.01 as compared to HK$10.58 (restated) of the prior year.

For the year ended 30 June 2024, the Principal Investment segment, Property Development and Investment segment, Hospitality and Leisure segment, Financial Services segment and Others segment reported profits before taxation of HK$1,850.0 million, HK$438.0 million, HK$593.3 million, HK$1,350.4 million and HK$183.8 million respectively. Overall, the audited consolidated profit before taxation of the Group for the year ended 30 June 2024 increased by 14% to HK$4,415.5 million.

The Group's revenue for the year ended 30 June 2024 increased by 15% to HK$22.5 billion, primarily due to an increase of HK$1.7 billion in revenue from the Property Development and Investment segment, attributable to robust sales and higher progressive recognition of sales from residential projects in Singapore. In addition, an increase of HK$1.2 billion in revenue from the Hospitality and Leisure segment arose following continued growth of the business in the current year.

Capital Management

The consolidated total equity attributable to shareholders of the Company as at 30 June 2024 amounted to HK$61.4 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$12.4 billion. The equity-debt ratio was 83:17 as at 30 June 2024.

Liquidity and Financial Resources

The Group's total cash and short-term funds as well as trading financial assets were mostly denominated in USD (30%), HKD (28%), RMB (12%), SGD (11%) and AUD (5%) as at 30 June 2024.

The Group's total bank loans and other borrowings amounted to HK$36.9 billion as at 30 June 2024, and were mostly denominated in SGD (69%), RMB (11%), HKD (8%), USD (6%), and GBP (4%). The Group has borrowings of HK$14.1 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$47.6 billion at year end.

Committed borrowing facilities available to the Group and not yet drawn as at 30 June 2024 amounted to approximately HK$13.0 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 2024, approximately 82% of the Group's bank loans and other borrowings carried interest at floating rates and the remaining 18% carried interest at fixed rates. The Group had outstanding interest rate contracts with a notional amount of HK$0.6 billion.

MANAGEMENT DISCUSSION AND ANALYSIS

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 2024, there were outstanding foreign exchange contracts with a total notional amount of HK$4.1 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 10,850 employees[Note]. The Group continued to seek an optimal workforce. It is committed to providing its employees 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.

Note: The total number of employees includes permanent, contract, temporary and part-time employees.

CORPORATE GOVERNANCE REPORT

"Corporate Governance is the process and structure used to direct and manage the business and affairs of the Company towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long term shareholders' value, whilst taking into account the interest of other stakeholders."

The board of directors of the Company (the "Board") has adopted a Corporate Governance Code (the "CG Code") based on the principles as set out in Appendix C1 (the "HKEX Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The CG Code is reviewed from time to time and updated as appropriate to align with the revised provisions of the HKEX Code. Continuous efforts are made to review and enhance the performance of the Board as well as the Group's risk management and internal control systems, disclosure practices and communication with investors and stakeholders in light of changes in regulations and developments in best practices. To us, maintaining high standards of corporate governance practices is not just complying with the letter of the provisions but also the intent of the regulations to enhance corporate performance and accountability.

The Board is of the opinion that the Company has complied with the applicable HKEX Code throughout the financial year ended 30 June 2024 and up to the date of this report.

A. CORPORATE VISION & PURPOSE, VALUES, CULTURE AND STRATEGY

1. Group Vision & Purpose

The Group's vision is for its businesses to be long-term competitive and sustainable enterprises; and in doing so, create prime value and achieve long-term sustainable growth for its shareholders.

The strategic intent is to transform the businesses in the Group, to focus on core businesses, to build brands and develop competencies. It would include strategies and action plans to achieve sustainable global competitiveness and to deliver consistent compound annual growth in revenue, profits and free cash flow. This is carried out through integrating entrepreneurialism with professional business management as well as strong discipline and governance.

A. CORPORATE VISION & PURPOSE, VALUES, CULTURE AND STRATEGY (cont'd)

2. Group Values

Our Group values below underpin our corporate culture and serve as a compass in all we do:

Honour	To conduct business with honour
Human Resources	To enhance the quality of human resources – as the essence of management excellence
Entrepreneurship	To pursue management vision and foster entrepreneurship
Innovation	To nurture and be committed to innovation
Quality	To provide products and services that consistently exceed customers' expectations
Progress	To continuously improve existing operations and to position for expansion and new business opportunities
Unity	To ensure oneness in purpose, harmony and friendship in the pursuit of prosperity for all
Social responsibility	To create wealth for the betterment of society

3. Group Culture

Group culture serves as the basis of our business operation. The Board plays a leading role in shaping the corporate culture and reviews this from time to time. With the Board's oversight, we promote compliance and ethical behavior across the Group, as well as strict adherence to the code of conduct and corporate policies, together with a whistleblowing framework.

Furthermore, the quality of our people forms the bedrock of our business strategies. The Group commits to create an inclusive workplace for our employees which values open communication to foster growth. Employees are encouraged to collaborate towards shared objectives, seeking win-win solutions and taking ownership of their progress.

Innovation, creativity, and dedication to continuous improvement are vital qualities for a progressive organization. Consequently, we expect all businesses within the Group to be forward-thinking, adaptable, and receptive to new technologies amidst the evolving environment. It is through transformation that the Group is able to achieve sustainable global competitiveness and to deliver consistent growth.

4. Group Strategy

With a strong heritage of value creation, the Group's entrepreneurial vision guides our operating businesses to remain relevant, to be trustworthy, progressive, competitive and sustainable in pursuit of growth and the creation of business value. We also seek to advance our development through incorporating digital technology as part of the Group's business strategy. With the growing importance of environmental, social and governance ("ESG"), we are also incorporating this in our business operations and strategic decision-making to derive sustainable solutions that benefit our stakeholders. This is all underpinned by achieving a strong and healthy financial position through strict adherence to prudent financial disciplines that enhance the resilience and sustainability of our businesses.

In summary, taking into account the vision, values and strategy of the Group, the Board considers that they are in alignment with the Group's culture.

CORPORATE GOVERNANCE REPORT

B. DIRECTORS

1. Role of the Board

The Board assumes responsibilities for directing the Company and enhancing its value for shareholders in accordance with good corporate governance principles. The main role and responsibilities of the Board broadly cover, among others, overseeing the corporate mission, value, culture and broad strategies; directing and evaluating the conduct and performance of the Group's businesses; identifying principal risks and ensuring the implementation of appropriate systems to manage these risks; reviewing and approving key matters such as financial results, investments and divestments and other material transactions.

The Board recognises its corporate governance duties as an ongoing commitment and has monitored and reviewed the relevant CG Code, code of conduct, policies, standards and practices of the Company on corporate governance as well as legal and regulatory compliance during the year. It has delegated relevant aspects of the functions to the board committees and management, where appropriate, to assist it in discharging its duties. In addition, the Board has reviewed the Company's compliance with the HKEX Code and disclosure in the corporate governance report. Through the Board Nomination Committee, the training and continuous professional development of directors and senior management was reviewed and monitored.

The Board has overall responsibility for the ESG matters of the Group. Through the support of the Group ESG Steering Committee, the Board is accountable for setting forth the sustainability mission and related reporting framework, and oversees significant policies which guide the relevant ESG strategies at the business group level. The Board Audit and Risk Management Committee of the Company is assigned to assist the Board in overseeing and managing the related ESG risks.

The Board has delegated the day-to-day management and operation of the Group's businesses to the management of the Company and its subsidiaries.

2. Board Composition

The Board during the year and up to the date of this report comprised the following members:

Executive Chairman
KWEK Leng Hai

Executive Director
Christian K. NOTHHAFT – *Chief Executive Officer* [Note 1]
CHEW Seong Aun – *Group Chief Financial Officer* [Note 2]

Non-executive Director
KWEK Leng San

Independent Non-executive Directors
David M. NORMAN
Lester G. HUANG, *SBS, JP*
Paul J. BROUGH

Notes:

1. Mr. Christian K. NOTHHAFT was appointed Executive Director and Chief Executive Officer of the Company with effect from 15 April 2024.

2. Mr. CHEW Seong Aun retired as the Group Chief Financial Officer ("GCFO") and relinquished his position as Executive Director of the Company with effect from 15 May 2024.

B. DIRECTORS (cont'd)

2. Board Composition (cont'd)

Pursuant to the Bye-Laws of the Company ("Bye-Laws") and the CG Code, not less than one-third of the directors shall retire from office by rotation at each annual general meeting. The directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became directors on the same day shall (unless they otherwise agree between themselves) be determined by lot.

Non-executive directors are not appointed for a specific term. They are subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Bye-Laws and the CG Code.

The Company received confirmation of independence from each of the independent non-executive directors ("INEDs") for the year pursuant to Rule 3.13 of the Listing Rules. The Board is of the view that Messrs. David M. NORMAN, Lester G. HUANG, *SBS, JP* and Paul J. BROUGH remain independent.

The family relationships among the Board members, if any, are disclosed under "Biographical Details of Directors and Senior Management" on pages 6 and 7 of this annual report.

3. Chairman, Executive Director and Chief Executive Officer ("CEO")

Currently, Mr. KWEK Leng Hai is the Executive Chairman of the Company. The Executive Chairman sets the vision and strategic direction of the Group, leads the Board and ensures its smooth and effective functioning.

Mr. Christian K. NOTHHAFT is the Executive Director and CEO of the Company and is responsible for implementing policies and Board decisions, initiating business ideas and corporate strategies, overseeing the performance of the Group's business segments, day-to-day operations and tracking compliance and business progress.

The operation of each of the Group's business segments is overseen by a CEO who, with expertise in his particular business, is responsible for delivering the performance results of the business segment.

The roles of the Executive Chairman and the aforesaid management executives are separate with clear division of responsibilities.

4. Board Process

The Board meets regularly, at least four times a year. Additional board meetings are held whenever warranted. For the year ended 30 June 2024, a total of four board meetings were held.

The directors are at liberty to propose matters as appropriate to be included in the meeting agendas. Board agenda items are reviewed by the Executive Chairman and/or CEO of the Company. Board papers are circulated prior to board meetings on a timely manner, which include, among others, financial and corporate information, significant operational and corporate issues and business performance of the Group as well as material or notable transactions which require the approval of the Board.

Where appropriate, decisions are also taken by way of circulated resolutions with supporting explanations and materials, supplemented by additional verbal or written information from the Company Secretary or other executives as and when needed. Monthly updates on the Group's business are provided to the directors of the Company to allow their assessment of the Group's financial performance and position.

CORPORATE GOVERNANCE REPORT

B. DIRECTORS (cont'd)

4. Board Process (cont'd)

All directors have separate and independent access to senior management and also have access to the advice and services of the Company Secretary and internal auditor, and upon reasonable request, independent professional advice in appropriate circumstances at the Company's expense, if any.

Details of directors' attendance at the board meetings and the 2023 annual general meeting ("2023 AGM") held during the year are as follows:

	Board Meetings attended/ Eligible to attend	2023 AGM attended/ Eligible to attend
Executive Chairman		
KWEK Leng Hai	4/4	1/1
Executive Director		
Christian K. NOTHHAFT – *Chief Executive Officer* Note 1	1/1	N/A
CHEW Seong Aun – *Group Chief Financial Officer* Note 2	3/3	1/1
Non-executive Director		
KWEK Leng San	4/4	1/1
Independent Non-executive Directors		
David M. NORMAN	4/4	1/1
Lester G. HUANG, *SBS, JP*	4/4	1/1
Paul J. BROUGH	4/4	1/1

Notes:

1. Mr. Christian K. NOTHHAFT was appointed Executive Director and CEO of the Company with effect from 15 April 2024. One board meeting and no general meeting was held during the period from 15 April 2024 (date of appointment of Mr. Nothhaft) to 30 June 2024.

2. Mr. CHEW Seong Aun retired as the GCFO and relinquished his position as Executive Director of the Company with effect from 15 May 2024. Three board meetings and the 2023 AGM were held during the period from 1 July 2023 up to 15 May 2024 (date of retirement of Mr. Chew).

B. DIRECTORS (cont'd)

5. Board Independence

Pursuant to the CG Code, the Company has put in place mechanisms within our governance framework to ensure that independent views and input are available to the Board.

During the year, the Board had reviewed the implementation and effectiveness of the mechanisms and is of the view that such mechanisms are effective. The key mechanisms under the Company's governance framework are summarised below:-

Composition of the Board and Board Committees

The Board comprises more than one-third of INEDs and the Board Audit and Risk Management Committee and Board Remuneration Committee are both chaired by INEDs.

The composition of the Board is reviewed by the Board Nomination Committee annually to ensure that the number of INEDs meets or exceeds the independence requirements under the Listing Rules.

Directors' Responsibilities

As set out in the terms of reference of the Board, it is the responsibility of the directors (including INEDs) to make positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments. Directors with different views are encouraged to voice their concerns so as to ensure that independent views and input are available to the Board.

The Executive Chairman encourages a culture of openness and debate by facilitating the effective contribution of non-executive directors in particular and ensuring constructive relations between executive and non-executive directors.

Criteria to Assess Independence of INEDs on Appointment and Re-election

The suitability of the candidates for appointment and the directors subject to re-election as an INED will be assessed based on the assessment criteria and guidelines as set out in the Company's Nomination Policy, including among others, their independence and potential/actual conflicts of interest that may arise if the candidate is appointed/re-elected.

Annual Review of Independence of INEDs

Annual review of independence of INEDs is conducted by the Board Nomination Committee pursuant to Rule 3.13 of the Listing Rules.

INED's Remuneration

None of the INEDs receive remuneration based on performance of the Group.

Independent Professional Advice

External independent professional advice is available to all directors, including INEDs, whenever considered appropriate.

Meetings with INEDs

The Executive Chairman at least annually meets with INEDs without the presence of other directors to facilitate INEDs to express their views.

CORPORATE GOVERNANCE REPORT

B. DIRECTORS (cont'd)

6. Directors' Securities Transactions

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "Model Code") as the code of conduct governing directors' securities transactions.

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

7. Dividend Policy

Pursuant to the HKEX Code, the Board has adopted a dividend policy (the "Dividend Policy") which is set out as follows:

- The Company intends to create long term value for its shareholders through maintaining a balance between dividend distribution, preserving adequate liquidity and reserve to meet its working capital requirements, and capturing future growth opportunities.

- Pursuant to the Dividend Policy, the Board may propose/declare the payment of dividend(s) after taking into account the current financial performance of the Company, the future financial requirements of the Company and any other factors the Board may deem relevant.

- The Board may also decide on the frequency of dividend payment and further declare/recommend any special distributions. Dividend(s) may be in the form of cash, shares, distribution in-specie or any other form as the Board may determine.

The Board reviews the Dividend Policy from time to time and update, amend, modify and/or cancel the Dividend Policy at any time in the interest of the Company and its shareholders.

8. Whistleblowing Policy and Anti-Corruption Policy

The Company has put in place a whistleblowing policy (the "Whistleblowing Policy") setting out the reporting channels on suspected misconduct, malpractice or non-compliance within the Company and applicable subsidiaries based on which management can take appropriate action. The Whistleblowing Policy is reviewed annually by the Board Audit and Risk Management Committee to ensure its effectiveness.

The Group has implemented policies on anti-corruption and procedures concerning offering or accepting gifts or gratuities. Our contractors and suppliers will also be required to commit to, as appropriate, the code of conduct on anti-corruption and other business ethics.

More details on the Whistleblowing Policy and the anti-corruption policies are disclosed in the "Environmental, Social and Governance Report" of the Company which is available at the Company's website at www.guoco.com.

B. DIRECTORS (cont'd)

9. Directors' Continuous Training and Development Programme

Pursuant to the HKEX Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

The Company has put in place training and development programmes for directors which includes (1) induction/familiarization programme for newly appointed directors; and (2) on-going training and professional development programme for directors.

Mr. Christian K. NOTHHAFT, who was appointed Executive Director and CEO of the Company with effect from 15 April 2024 has attended a training session conducted by an external legal advisor from a firm of solicitors and obtained legal advice pursuant to Rule 3.09D of the Listing Rules on 8 April 2024. He confirmed that he understood his obligations as a director of the Company.

During the year ended 30 June 2024, all directors namely, Messrs. KWEK Leng Hai, Christian K. NOTHHAFT (appointed on 15 April 2024), CHEW Seong Aun (retired on 15 May 2024), KWEK Leng San, David M. NORMAN, Lester G. HUANG, *SBS, JP* and Paul J. BROUGH received regular briefings and updates on the Group's business, operations, risk management, corporate governance and ESG matters. Materials on new or changes to salient laws and regulations applicable to the Group were provided to the directors. They also attended regulatory update sessions and seminars on relevant topics. All directors are requested to provide the Company with their respective training records pursuant to the CG Code.

C. DIRECTORS' REMUNERATION

1. Board Remuneration Committee ("BRC")

The principal role and functions of the BRC are to make recommendations to the Board on the policy and structure for the remuneration of directors and senior management, as well as to determine, with delegated responsibility from the Board as described under Code E.1.2(c) of the HKEX Code, the individual remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payment which may include any compensation payable for loss or termination of their office or appointment. It is also responsible to review and approve matters relating to share schemes under Chapter 17 of the Listing Rules. Detailed terms of reference of the BRC is accessible on the Company's website at www.guoco.com and the Hong Kong Exchanges and Clearing Limited's ("HKEX") website at www.hkexnews.hk.

CORPORATE GOVERNANCE REPORT

C. DIRECTORS' REMUNERATION (cont'd)

1. Board Remuneration Committee ("BRC") (cont'd)

Membership and attendance

For the year ended 30 June 2024, the members of the BRC and their attendance at the meetings are set out below:

	BRC Meetings attended/ Eligible to attend
Lester G. HUANG, *SBS, JP* – Chairman*	4/4
KWEK Leng Hai@	4/4
Paul J. BROUGH*	4/4

@ Executive Chairman
* Independent Non-executive Director

Work done during the year

- reviewed and recommended directors' fees for the non-executive directors for the financial year 2022/23;
- reviewed and approved the discretionary bonuses for the executive directors and senior management for the financial year 2022/23;
- reviewed and approved the remuneration packages of the executive directors and senior management for the calendar year 2024;
- reviewed and approved the remuneration package of the executive director and CEO appointed during the year;
- reviewed the terms of reference of the BRC;
- reviewed the remuneration policy for directors and senior management and recommended proposed changes thereto; and
- deliberated the statement relating to the BRC for inclusion in the Corporate Governance Report.

2. Level and Make-up of Remuneration

The Group's remuneration policy for executive directors and senior management is linked to performance, service seniority, experience and scope of responsibility and is based on the provisions in the Group's Human Resources Manual, which is reviewed from time to time to align with market/industry practices.

The level of remuneration of non-executive directors reflects the level of responsibilities undertaken by them. The fees of directors, including non-executive directors, are recommended and endorsed by the Board for shareholders' approval at the Company's annual general meetings. Details of directors' remuneration for the year ended 30 June 2024 are provided in note 9 to the Financial Statements in this annual report.

D. DIRECTORS' NOMINATION

1. Board Nomination Committee ("BNC")

The principal role and functions of the BNC is to make recommendations to the Board on the structure, size and composition of the Board, to complement the Company's corporate strategy, to review the independence of INEDs, the suitability of directors who will stand for re-election and directors' continuous training and development programme, to formulate, review and implement a policy for the nomination of directors (including nomination procedures) and to formulate a policy concerning board diversity, monitor the implementation of such policy and to review the same, as appropriate. Detailed terms of reference of the BNC is accessible on the Company's website at www.guoco.com and HKEX's website at www.hkexnews.hk.

Membership and attendance

For the year ended 30 June 2024, the members of the BNC and their attendance at the meetings are set out below:

	BNC Meetings attended/ Eligible to attend
KWEK Leng Hai@ – *Chairman*	2/2
David M. NORMAN*	2/2
Paul J. BROUGH*	2/2

@ Executive Chairman
* Independent Non-executive Director

Work done during the year

- assessed the suitability of a candidate for appointment as executive director and CEO of the Company pursuant to the process and criteria as set out in the Nomination Policy;
- reviewed the structure, size, composition and diversity of the Board (including the mix of skills, knowledge, experience, competences of directors, and the balance between executive director, non-executive director and INEDs) annually and determined the target and timeline for achieving the Board's gender diversity;
- reviewed and assessed the independence of INEDs of the Company;
- reviewed and assessed the suitability of the directors who stood for re-election at the annual general meeting pursuant to the process and criteria as set out in the Nomination Policy;
- reviewed the continuous training and development programmes undertaken by directors to ensure that an appropriate programme is in place;
- reviewed the terms of reference of the BNC, the Board Diversity Policy and the Nomination Policy; and
- deliberated the statement relating to the BNC for inclusion in the Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

D. DIRECTORS' NOMINATION (cont'd)

2. Board Diversity Policy

The Company has adopted the Board Diversity Policy which is accessible at the Company's website at www.guoco.com. Pursuant to the Board Diversity Policy, the Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Company maintains that selection of candidates for Board appointments will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service and the ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The BNC reviews the Board Diversity Policy annually to ensure its continued effectiveness.

Assessment and selection of candidates for Board succession will be made pursuant to the objectives of the Board Diversity Policy. While conscious efforts are being taken to achieve board diversity, new appointments are ultimately made on a merit basis taking into account available and suitable candidates. With a view to achieving a sustainable and balanced development, the BNC reviews annually the structure, size, composition and diversity of the Board and the Board confirms that its composition complies with the Listing Rules and reflects an appropriate mix of education disciplines, professional experiences and skill set.

The Board is currently diversified in terms of age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The directors possess various skills and professional experience ranged from, amongst others, finance, accounting, legal, business management & advisory, people management and merger & acquisition. During the year, Mr. Christian K. NOTHHAFT, who was appointed Executive Director and CEO of the Company, enhanced board diversity by bringing in new knowledge to the Board with his professional experience in retail & consumer products, network rollouts, e-commerce and digital transformation, etc. The extensive education background and professional experience of the Board facilitates effective decision-making process with each director provides constructive advice and contribution to the Board. For further biographical details of the members of the Board, please refer to "Biographical Details of Directors and Senior Management" in this annual report.

The Company is committed to enhancing gender diversity at Board level, and targets to have not less than one female director by 31 December 2024. The Company endeavors to identify suitable female candidates by way of referral from directors, shareholders, management or advisors of the Company, etc. and may seek assistance from external executive search firms as and when appropriate.

As at 30 June 2024, the Group had a total of around 10,850 employees[Note], the ratio of male and female in the workforce (including senior management) is approximately 55% and 45% respectively. The Board is of the view that appropriate balance of gender diversity of workforce is achieved taking into account the business sectors, geography and operational needs of the Group. The Company will continue to take gender diversity into consideration during recruitment process.

Note: The total number of employees includes permanent, contract, temporary and part-time employees.

D. DIRECTORS' NOMINATION (cont'd)

3. Nomination Policy

The Board has adopted the Nomination Policy which serves as a guiding mechanism and framework for the BNC on the process for new appointments of directors, CEO and board committee members as well as the re-appointment and assessment of directors.

Under the Nomination Policy, the BNC will assess potential candidates based on various assessment criteria, including the candidate's age, skills, knowledge, experience, expertise, professional and educational qualifications, potential/actual conflicts of interest with the Group and time commitments as well as the overall desired Board composition and the mix of expertise and experience of the Board as a whole. In case of appointment and re-appointment of INEDs, the BNC will also assess the independence of the candidates pursuant to the criteria set out in the Listing Rules. The BNC will make recommendations to the Board in respect of the appointment and re-election.

The BNC reviews annually the Nomination Policy to ensure its effectiveness and application, and will update, amend and modify as appropriate to ensure it continues to be relevant to the needs of the Company and is consistent with regulatory and corporate governance requirements.

The Nomination Policy is accessible on the Company's website at www.guoco.com.

E. ACCOUNTABILITY AND AUDIT

1. Board Audit and Risk Management Committee ("BARMC")

The BARMC oversees the financial reporting process and assesses the adequacy and effectiveness of the Company's financial reporting as well as risk management and internal control systems. The BARMC meets with the Company's external and internal auditors, and reviews their audit plans, the internal audit programme, and the results of their examinations as well as their evaluations of the risk management and internal control systems. The BARMC reviews the Group's and the Company's financial statements and the auditor's report thereon and submits its views to the Board. Detailed terms of reference of the BARMC are accessible on the Company's website at www.guoco.com and HKEX's website at www.hkexnews.hk.

Membership and attendance

For the year ended 30 June 2024, the members of the BARMC and their attendance at the meetings are set out below:

	BARMC Meetings attended/ Eligible to attend
Paul J. BROUGH* – *Chairman*	4/4
David M. NORMAN*	4/4
Lester G. HUANG, *SBS, JP**	4/4

* Independent Non-executive Director

The CEO, CFO and Head of Internal Audit are regular attendees of the BARMC meetings. Representatives of the external auditor are invited to attend the BARMC meetings to present their audit plan, significant audit and accounting matters which they noted in the course of their audit.

CORPORATE GOVERNANCE REPORT

E. ACCOUNTABILITY AND AUDIT (cont'd)

1. Board Audit and Risk Management Committee ("BARMC") (cont'd)

Work done during the year

- reviewed the fees charged by external auditor for audit and non-audit services;
- reviewed the nature and scope of external audit, the independence of external auditor and effectiveness of the audit process and approved the external audit fee and the engagement terms;
- reviewed the nature and scope of services of the non-assurance services provided by the external auditor to the Group;
- reviewed and approved the adoption of Non-assurance Services Communication and Concurrence Policy (the "NAS Policy") and provided concurrence on the external auditor's conclusion that the non-assurance service engagements will not create a threat to the external auditor's independence pursuant to the NAS Policy;
- reviewed and recommended the proposal for delegation of authority to the BARMC chairman to review and provide concurrence regarding the external auditor's conclusion that the provision of the proposed non-assurance service engagements outside the pre-approved scope of the NAS Policy would not create a threat to the external auditor's independence;
- reviewed and endorsed the non-assurance service engagements with the external auditor concurred by the BARMC chairman pursuant to the NAS Policy;
- reviewed the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control, as well as management's response thereto;
- reviewed the interim financial report, the interim results announcement, the annual financial statements and the annual results announcement;
- reviewed and discussed with the management the effectiveness of the risk management, including among others, material ESG and climate risks, and internal control system;
- reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting, internal audit and financial reporting functions, as well as those relating to the Company's ESG performance and reporting;
- reviewed the Group's accounting policies and practices;
- reviewed and approved the annual internal audit plan;
- reviewed major findings of internal audit assignments and the progress of implementation of remedial measures on control issues identified;
- reviewed the effectiveness of the processes for financial reporting and Listing Rules compliance of the Company;
- reviewed connected transactions entered into by the Group or subsisting during the year;

E. ACCOUNTABILITY AND AUDIT (cont'd)

1. Board Audit and Risk Management Committee ("BARMC") (cont'd)

Work done during the year (cont'd)

- reviewed and approved the revised Climate Risk Management Policy;
- reviewed the terms of reference of the BARMC and Whistleblowing Policy, and recommended proposed changes thereto; and
- deliberated the statement relating to the BARMC for inclusion in the Corporate Governance Report.

2. Financial Reporting

The Listing Rules require listed companies to prepare annual financial statements which shall provide a true and fair view of the state of affairs of the companies and of the results of their operations and cash flows.

The Board is responsible for ensuring the maintenance of proper accounting records of the Group. It has also acknowledged its responsibility for preparing the financial statements.

The Board approves the financial statements after taking into account the BARMC's comments on specific accounting matters.

The Board is satisfied that appropriate accounting policies have been used in preparing the financial statements, consistently applied and complied with the relevant accounting standards.

A statement of the auditor about their reporting responsibilities is included in the Independent Auditor's Report on pages 63 to 68 of this annual report.

3. Risk Management and Internal Control

For business strategy formulation and for improving business performance, a set of Enterprise Risk Management framework ("ERM framework"), as set forth in the company policy, has been established and implemented by all strategic business units ("SBUs") within the Group. This ERM framework consists of iterative processes for each SBU to constantly identify and assess risks (including ESG risks) in terms of their potential impact and probability of occurrence, as well as to establish and implement relevant procedures and internal controls for risk mitigation. Risk profile reports are submitted to the Company's senior management and the BARMC for review on a quarterly basis, to ensure that residual risks after taking into account risk mitigating measures fall within the risk appetite and tolerance set by the Board.

The BARMC oversees the effectiveness of the processes for financial reporting and Listing Rule compliance. It also reviews the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting functions as well as those relating to the Company's ESG performance and reporting.

To assist the BARMC in its oversight and monitoring activities, the Company's internal audit function adopts a risk-based approach and conducts periodic audits of major controls including financial, operational, compliance and the risk management function of the Company and its subsidiaries. Any material control issues identified, together with remedial action plans, are reported to the BARMC at the meetings. The internal audit team shall follow up and ensure that any material control issues are promptly and properly rectified.

CORPORATE GOVERNANCE REPORT

E. ACCOUNTABILITY AND AUDIT (cont'd)

3. Risk Management and Internal Control (cont'd)

The effectiveness of the Company's and its subsidiaries' risk management and internal control systems is reviewed by the BARMC on a quarterly basis, based on the risk profile reports submitted and reported audit findings. The BARMC will submit the report to the Board for deliberation. Based on the results of the BARMC reviews, the Board is satisfied that risk management and internal control systems of the Group remained effective and adequate for the year ended 30 June 2024. The extent and frequency of communication of the monitoring results to the BARMC and the Board have been reviewed and are considered sufficient.

The Board acknowledges responsibility for the risk management and internal control systems and reviewing their effectiveness, but would like to explain that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Handling and Dissemination of Inside Information

The Company has established and implemented relevant procedures and internal controls for the handling and dissemination of inside information, including restricting employee access to inside information on a need-to-know basis and ensuring that those who need to know understand the obligation of keeping the information confidential and refrain from dealing in the relevant securities. All inside information is disclosed to the public if and when required pursuant to the requirements under the Securities and Futures Ordinance and the Listing Rules and kept strictly confidential before disclosure.

4. Auditor's Remuneration

The fees charged by the Group's external auditor for the year in respect of annual audit services amounted to HK$31,946,000 and those in respect of non-audit services (comprising tax advisory and review, transaction support and consultancy services) amounted to HK$10,370,000.

F. INVESTOR RELATIONS

1. Communication with Investors

The Company encourages two-way communication with both its institutional and private investors. Extensive information about the Group's activities is provided in the interim and annual reports which are distributed to shareholders of the Company.

The annual general meeting of the Company provides an opportunity for its shareholders to seek clarification and to obtain a better understanding of the Group's performance. Board members and representatives from the external auditor will attend the annual general meetings to answer shareholders' questions. Shareholders are encouraged to meet and communicate with the Board at the annual general meetings and to vote on the resolutions.

F. INVESTOR RELATIONS (cont'd)

1. Communication with Investors (cont'd)

In order to promote effective communication, the Company maintains a website at www.guoco.com to provide:

- latest news, announcements, financials including interim and annual reports;
- other corporate communication materials, e.g. notices of meetings, circulars, proxy forms, etc.;
- details of the arrangements on dissemination of corporate communications of the Company and for requesting printed copies of corporate communications;
- corporate calendar for important shareholders' dates for current financial year;
- constitutional documents of the Company;
- corporate governance information including composition and terms of reference of board committees, corporate governance reports and various governance policies adopted by the Company;
- ESG reports and highlights of the Company's ESG practices and efforts;
- online registration of email alert service for receiving the Company's latest corporate communications; and
- other information relating to the Group and its businesses.

Regular dialogues are maintained with institutional investors. Enquiries from individuals on matters relating to the business of the Group are welcome and are dealt with in an informative and timely manner. Shareholders can make any query in respect of the Group or to make a request for the Group's information to the extent such information is publicly available. The designated contact details are as follows:

By Post : Guoco Group Limited
50th Floor, The Center, 99 Queen's Road Central, Hong Kong
By Fax : (852) 2285 3233
By Email : comsec@guoco.com

Shareholders' questions about their shareholdings are dealt with by Computershare Hong Kong Investor Services Limited, the Company's branch share registrar, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

The Company has in place a shareholder communication policy which sets out the provisions to ensure that the Company's shareholders are provided with access to material information about the Company in a timely manner. The Board has conducted a review of the implementation and effectiveness of the shareholder communication policy during the year ended 30 June 2024 and, having considered the various channels of communication in place, was satisfied that the implementation of the policy was effective.

CORPORATE GOVERNANCE REPORT

F. INVESTOR RELATIONS (cont'd)

2. Rights and Procedures for Shareholders to Convene General Meetings

Pursuant to section 74 of the Bermuda Companies Act 1981 ("Companies Act") and Bye-Law 62 of the Bye-Laws, the directors shall, on the requisition of the Company's shareholders holding at the date of the deposit of the requisition not less than one-tenth (10%) of such of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, forthwith proceed duly to convene a special general meeting of the Company. The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more requisitionists.

3. Rights and Procedures for Shareholders to Put Forward Proposals at General Meetings

Pursuant to sections 79 and 80 of the Companies Act, shareholder(s) of the Company holding at the date of the deposit of the requisition not less than one-twentieth (5%) of the total voting rights of the Company or not less than 100 shareholders of the Company may make a requisition to require the Company to give notice to other shareholders of any resolution to be considered at annual general meetings or to circulate to other shareholders any written statement of not more than 1,000 words with respect to the matter to be dealt with at that meeting. The written requisition must be duly signed by the requisitionist(s) and be deposited at the Company's registered office within the time limit prescribed in section 80 of the Companies Act.

4. Rights and Procedures for Shareholders to Propose a Person for Election as a Director

Pursuant to the Bye-Law 103 of the Bye-Laws, shareholder(s) of the Company may send a notice in writing of the intention to propose a person for election as a director and the notice in writing by that person of his willingness to be elected. Such notices shall be lodged at the Company's principal office at 50th Floor, The Center, 99 Queen's Road Central, Hong Kong, or at the Company's branch share registrar's office at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong provided that the minimum length of the period for lodgment of the notices referred to herein shall be at least seven days which shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

5. Change in Constitutional Document

There was no significant amendment to the Bye-Laws during the year ended 30 June 2024.

26 September 2024

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REPORT OF THE DIRECTORS

The directors of the Company (the "Directors") present their report together with the audited financial statements of the Group for the year ended 30 June 2024 (the "Financial Statements").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and management. 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, hospitality and leisure business. The principal activities of the associates which materially affected the results of the Group during the year include commercial banking business, Islamic banking services, insurance and takaful business, investment banking, futures and stockbroking and asset management business.

The analysis of the principal activities and locations of operations of the Company and its subsidiaries during the year is set out in note 17 to the Financial Statements.

BUSINESS REVIEW

A fair review of the business of the Group, a discussion and analysis of the Group's performance during the year, financial key performance indicators, description of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year (if any) as well as an indication of likely future development in the business of the Group are provided throughout this annual report, particularly in the sections headed Financial Highlights, Chairman's Statement, Management Discussion and Analysis as well as the Segment Reporting, and Financial Risk Management and Fair Value in the notes to the Financial Statements. A discussion on the Group's compliance with relevant laws and regulations that have a significant impact on the Group and an account of the Group's key relationships with its stakeholders as well as the Group's environmental policies and performance are provided in the "Corporate Governance Report" in this annual report and the "Environmental, Social and Governance Report" which is available at the Company's website at www.guoco.com. All such discussions form part of this Report of the Directors.

SUBSIDIARIES

Particulars of the principal subsidiaries of the Company are set out in note 17 to the Financial Statements.

FINANCIAL STATEMENTS

The consolidated net profit of the Group for the year ended 30 June 2024 and the state of the Company's and the Group's affairs as at that date are set out in the Financial Statements on pages 69 to 177.

DIVIDENDS

An interim dividend of HK$0.50 per share (2023: HK$0.50 per share) totalling HK$162,289,000 (2023: HK$162,331,000) was paid on 26 March 2024. The Directors are recommending payment of a final dividend of HK$2.70 per share (2023: HK$2.50 per share) in respect of the year ended 30 June 2024 totalling HK$888,441,000 (2023: HK$822,631,000) on Tuesday, 3 December 2024 to all persons registered as holders of shares on the register of members of the Company on Thursday, 21 November 2024, being the record date for determining the entitlement of shareholders to the proposed final dividend.

REPORT OF THE DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers of the Group accounted for less than 30% of the total turnover of the Group and the five largest suppliers of the Group accounted for less than 30% of the total purchases of the Group.

CHARITABLE DONATIONS

Donations made by the Group during the year amounted to US$1,790,000 (2023: US$828,000).

SHARE CAPITAL

The Company did not issue any new shares during the year. Details of the movement in the share capital of the Company are shown in note 36 to the Financial Statements.

RESERVES

Movements in the reserves of the Company and the Group during the year are set out in note 36 to the Financial Statements.

EQUITY-LINKED AGREEMENTS

Other than the Executive Share Scheme 2022 of the Company as disclosed in this Report, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company at any time during the year or subsisted at the end of the year.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 30 June 2024.

PROPERTIES

Particulars of the major development properties, properties held for sale and investment properties of the Group are shown on pages 178 to 180.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-Laws of the Company ("Bye-Laws") or the laws in Bermuda.

REPORT OF THE DIRECTORS

DIRECTORS

The Directors during the year and up to the date of this Report are:

KWEK Leng Hai – *Executive Chairman*
Christian K. NOTHHAFT – *Chief Executive Officer* [Note 1]
CHEW Seong Aun – *Group Chief Financial Officer* [Note 2]
KWEK Leng San*
David M. NORMAN**
Lester G. HUANG, *SBS, JP***
Paul J. BROUGH**

* Non-executive Director
** Independent non-executive Director

Notes:

1. Mr. Christian K. NOTHHAFT was appointed Executive Director and Chief Executive Officer of the Company with effect from 15 April 2024.

2. Mr. CHEW Seong Aun retired as the Group Chief Financial Officer and relinquished his position as an Executive Director with effect from 15 May 2024.

In accordance with Bye-Law 99 of the Bye-Laws and Code B.2.2 of the Corporate Governance Code of the Company (the "CG Code"), Messrs. David M. NORMAN and Paul J. BROUGH shall retire from office by rotation at the forthcoming annual general meeting of the Company to be held on 13 November 2024 (the "2024 AGM"). Mr. David M. NORMAN has indicated his intention not to seek for re-election while Mr. Paul J. BROUGH, being eligible, will offer himself for re-election at the 2024 AGM.

Pursuant to Bye-Law 102 of the Bye-Laws, Mr. Christian K. NOTHHAFT, who has been appointed Executive Director and Chief Executive Officer of the Company on 15 April 2024 shall hold office until the 2024 AGM and, being eligible, will offer himself for re-election at the 2024 AGM.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the 2024 AGM has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Details of the continuing connected transactions and material related party transactions are set out in this Report and note 43 to the Financial Statements respectively. Save as disclosed, no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or his connected entity had, directly or indirectly, a material interest subsisted at the end of the year or at any time during the year ended 30 June 2024.

MANAGEMENT CONTRACT

No contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during the year ended 30 June 2024.

REPORT OF THE DIRECTORS

INDEMNITY OF DIRECTORS

Pursuant to the Bye-Laws, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company maintains a directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its Directors.

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

As at 30 June 2024, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of the Company (the "Model Code") were disclosed as follows in accordance with the Listing Rules.

Long positions in the shares of the Company and associated corporations of the Company

(A) The Company

Director	Capacity	Number of ordinary shares: Personal interests	Number of ordinary shares: Total interests	Approx. % of total number of shares in issue
KWEK Leng Hai	Beneficial owner	3,800,775	3,800,775	1.16%
KWEK Leng San	Beneficial owner	209,120	209,120	0.06%
David M. NORMAN	Beneficial owner	4,000	4,000	0.00%

(B) Associated Corporations

(a) GuoLine Capital Assets Limited

Director	Capacity	Number of ordinary shares: Personal interests	Number of ordinary shares: Total interests	Approx. % of total number of shares in issue
KWEK Leng Hai	Beneficial owner	841,000	841,000	2.62%
KWEK Leng San	Beneficial owner	321,790	321,790	1.00%

REPORT OF THE DIRECTORS

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

Long positions in the shares of the Company and associated corporations of the Company (cont'd)

(B) Associated Corporations (cont'd)

(b) GuocoLand Limited

Director	Capacity	Number of ordinary shares		Approx. % of total number of shares in issue
		Personal interests	Total interests	
KWEK Leng Hai	Beneficial owner	35,290,914	35,290,914	2.98%

(c) Hong Leong Financial Group Berhad

Director	Capacity	Number of ordinary shares		Approx. % of total number of shares in issue
		Personal interests	Total interests	
KWEK Leng Hai	Beneficial owner	2,526,000	2,526,000	0.22%
KWEK Leng San	Beneficial owner	654,000	654,000	0.06%

(d) GuocoLand (Malaysia) Berhad

Director	Capacity	Number of ordinary shares		Approx. % of total number of shares in issue
		Personal interests	Total interests	
KWEK Leng Hai	Beneficial owner	226,800	226,800	0.03%

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

Long positions in the shares of the Company and associated corporations of the Company (cont'd)

(B) Associated Corporations (cont'd)

(e) The Rank Group Plc

		Number of ordinary shares		
Director	**Capacity**	**Personal interests**	**Total interests**	**Approx. % of total number of shares in issue**
KWEK Leng Hai	Beneficial owner	1,026,209	1,026,209	0.26%
KWEK Leng San	Beneficial owner	56,461	56,461	0.01%

(f) Lam Soon (Hong Kong) Limited

		Number of ordinary shares			
Director	**Capacity**	**Personal interests**	**Family interests**	**Total interests**	**Approx. % of total number of shares in issue**
KWEK Leng Hai	Beneficial owner	2,300,000	–	2,300,000	0.95%
Lester G. HUANG, *SBS, JP*	Interests of spouse	–	150,000	150,000	0.06%

Save as disclosed above, as at 30 June 2024, none of the Directors had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

REPORT OF THE DIRECTORS

SHARE SCHEME

Executive Share Scheme 2022 (the "ESS 2022")

The ESS 2022 was approved by the Shareholders at the annual general meeting on 8 November 2022 (the "ESS Approval Date") and took effect on 10 November 2022 (the "ESS Effective Date") for grant of options and/or free shares over newly issued and/or existing shares of the Company to executives or directors of the Company or any of its subsidiaries (the "ESS Eligible Executives") from time to time.

The purpose of the ESS 2022 is to (i) align the long term interests of the ESS Eligible Executives with those of the Shareholders and encourage the ESS Eligible Executives to assume greater responsibility for the performance of the businesses that they manage; (ii) motivate the ESS Eligible Executives towards strategic business objectives; (iii) reward the ESS Eligible Executives with an equity stake in the success of the Group; and (iv) make the total compensation package more competitive in order to attract, retain and motivate high calibre executives.

A trust (the "ESS Trust") is in place for the purpose of acquiring and holding existing shares of the Company from time to time to satisfy the exercise of options and vesting of share grants which may be granted under the ESS 2022. A wholly owned subsidiary of the Company as the trustee is responsible for administering the ESS Trust.

The maximum number of new shares of the Company that may be issued upon exercise of share options and vesting of share grants pursuant to the ESS 2022 shall not in aggregate exceed 10% of the shares of the Company in issue as at the ESS Approval Date, i.e. 32,905,137 which represents 10% of the shares in issue of the Company as at 30 June 2024 and the date of this Report. The maximum entitlement for an ESS Eligible Executive in respect of the total number of shares issued and to be issued upon exercise of options granted and to be granted as well as share grants vested and to be vested in any 12 months period up to the date of the latest grant shall not exceed 1% of the shares of the Company in issue as at any date of grant.

Except where it is otherwise specifically allowed under the ESS 2022, the share options and/or share grants offered to the ESS Eligible Executives is exercisable/will be vested only during his/her employment or directorship with the Group and the vesting period of the share options and/or share grants shall not be less than 12 months from the date of offer.

The Board Remuneration Committee of the Company ("BRC") may at its discretion determine the exercise price of the options provided that the exercise price so fixed must be at least the higher of (a) the closing price of a share of the Company as stated in the Stock Exchange's daily quotations sheet on the date of offer of such option, which must be a business day; (b) the average closing price of a share of the Company as stated in daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer of such option; and (c) the nominal value of a share of the Company.

Share options and/or share grants offered under the ESS 2022 to an ESS Eligible Executive must be accepted by the offeree within thirty (30) days from the date of offer (or such longer period of time as may be permitted by the BRC at its absolute discretion) by way of a written notice of acceptance and in such manner as may be prescribed by the BRC and accompanied by a payment of HK$1 as consideration. The exercise period of the share options offered shall not be more than ten (10) years from the date of offer.

The life of the ESS 2022 is 10 years from the ESS Effective Date. The ESS 2022 shall remain valid and effective till 9 November 2032.

No share option or free share had ever been granted to any ESS Eligible Executives pursuant to the ESS 2022 since its adoption and up to 30 June 2024.

SHARE SCHEME (cont'd)

Others

Certain other subsidiaries of GuoLine Capital Assets Limited, the ultimate holding company of the Company, maintain share schemes or plans or arrangements which subsisted at the end of the year or at any time during the year, under which eligible Directors of the Company may be granted free shares or share options for acquisition of shares of respective companies concerned.

Save for above, at no time during the year was the Company, any of its parent companies, its subsidiary undertakings or subsidiary undertakings of its parent companies a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2024, the persons who had interests or short positions in the shares and underlying shares of 5% or more in the Company's issued share capital as recorded in the register maintained by the Company under Section 336 of the SFO are as follows:

Long positions in the shares and underlying shares of the Company

		Number of shares/underlying shares			
Shareholder	**Capacity**	**Interests in shares**	**Interests under equity derivatives**	**Total**	**Approx. % of total number of shares in issue**
QUEK Leng Chan ("QLC")	Interest of controlled corporations	242,008,117	40,272,716	282,280,833 (Note 1)	85.79%
GuoLine Capital Assets Limited ("GCAL")	Interest of controlled corporations	240,351,792	40,272,716	280,624,508 (Notes 2 & 3)	85.28%
Hong Leong Investment Holdings Pte. Ltd. ("HLInvt")	Interest of controlled corporations	240,351,792	40,272,716	280,624,508 (Notes 3 & 4)	85.28%
Davos Investment Holdings Private Limited ("Davos")	Interest of controlled corporations	240,351,792	40,272,716	280,624,508 (Notes 3 & 5)	85.28%
KWEK Leng Kee ("KLK")	Interest of controlled corporations	240,351,792	40,272,716	280,624,508 (Notes 3 & 6)	85.28%
First Eagle Investment Management, LLC ("FEIM")	Investment manager	26,238,046	–	26,238,046 (Note 7)	7.97%

REPORT OF THE DIRECTORS

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

Long positions in the shares and underlying shares of the Company (cont'd)

Notes:

1. The interest of controlled corporation of QLC comprised 242,008,117 ordinary shares of the Company and 40,272,716 underlying shares of other unlisted cash settled derivatives, and were directly held by:

	Number of shares/ underlying shares
GuoLine Overseas Limited ("GOL")	236,524,930
GuoLine (Singapore) Pte Ltd ("GLS")	40,272,716
Asian Financial Common Wealth (PTC) Limited ("AFCW")	3,826,862
Robusto Ltd ("RL")	1,656,325

AFCW was wholly owned by Guoco Management Company Limited which in turn was wholly owned by the Company. The Company was 71.88% owned by GOL. GOL and GLS were wholly owned by GCAL. GCAL was 49.11% owned by QLC while RL was wholly owned by QLC.

2. The interests of GCAL comprised 240,351,792 ordinary shares of the Company and 40,272,716 underlying shares of other unlisted cash settled derivatives, and were directly held by GOL, GLS and AFCW as set out in Note 1 above.

3. The interests of GCAL, HLInvt, Davos and KLK are duplicated.

4. HLInvt was deemed to be interested in these interests through its controlling interests of 34.49% in GCAL.

5. Davos was deemed to be interested in these interests through its controlling interests of 33.59% in HLInvt.

6. KLK was deemed to be interested in these interests through his controlling interests of 41.92% in Davos.

7. FEIM was deemed to be interested in these interests held by various management accounts and funds controlled by it.

Save as disclosed above, as at 30 June 2024, the Company had not been notified by any person who had interests or short positions in the shares or underlying shares of the Company of 5% or more which should be disclosed pursuant to Part XV of the SFO or as recorded in the register required to be kept by the Company under Section 336 of the SFO.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

Continuing Connected Transactions

Master Services Agreement

A master services agreement dated 30 June 2023 (the "Master Services Agreement") was entered into by the Company (together with its subsidiaries, the "Group") with GuoLine Group Management Company Pte. Ltd. ("GGMC") for the provision of management services as listed in the Master Services Agreement (the "Services") to the Group (referred to as "Service Recipient(s)").

GGMC or other Hong Leong Group company(ies) (comprising GuoLine Capital Assets Limited ("GCAL") and Hong Leong Company (Malaysia) Berhad ("HLCM") and their subsidiaries) as may be agreed by the parties from time to time are referred to as "Service Provider(s)".

The Master Services Agreement is for a term of three financial years from 1 July 2023 to 30 June 2026. The fees payable under the Master Services Agreement comprise:

1. a monthly fee (the "Monthly Fee") as agreed from time to time between such Service Recipient(s) and the Service Provider(s) and is currently agreed to be approximately HK$1,928,000 per month in total; and

2. an annual fee (the "Annual Fee") equivalent to 3% of the annual profit before tax of such Service Recipient(s) as shown in its audited profit and loss account for the relevant financial year, subject to appropriate adjustment (for example, to avoid double counting of profit), if any.

The yearly total fees (the "Total Services Fees"), being the sum of the Monthly Fee, the Annual Fee and the total amounts of any fees paid or payable by the Group to any Hong Leong Group company for services of a similar nature as the Services, are subject to an annual cap of HK$410 million for each of the three financial years ending 30 June 2026.

GGMC is a wholly-owned subsidiary of GCAL, the ultimate holding company and a substantial shareholder of the Company, and thus GGMC is an associate of a connected person of the Company as defined under Chapter 14A of the Listing Rules. Mr. Quek Leng Chan, being a controlling shareholder of GCAL and HLCM, is regarded as a substantial shareholder of the Company. Subsidiaries under GCAL and HLCM which may become Service Provider(s) under the Master Services Agreement are regarded as associates of connected persons of the Company as defined under Chapter 14A of the Listing Rules. The transactions contemplated under the Master Services Agreement constitute continuing connected transactions for the Company under the Listing Rules and the relevant disclosure requirements have been complied with.

The Independent Non-executive Directors of the Company had reviewed the transactions under the Master Services Agreement during the year and confirmed that:

a. the transactions under the Master Services Agreement for the year were entered into:

   – in the ordinary and usual course of business of the Group;

   – on normal commercial terms or better; and

   – in accordance with the relevant documents governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

b. the Total Services Fees paid and payable by the Group under the Master Services Agreement for the year amounted to approximately HK$132 million which did not exceed the annual cap of HK$410 million as disclosed in the announcement of the Company dated 30 June 2023.

REPORT OF THE DIRECTORS

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Continuing Connected Transactions (cont'd)

Banking Transactions

The Group has from time to time entered into, and may in future enter into, among others, the following transactions with the licensed banks and regulated financial services companies within Hong Leong Financial Group (comprising Hong Leong Financial Group Berhad and its subsidiaries from time to time), including Hong Leong Asset Management Bhd, Hong Leong Bank Berhad, Hong Leong Islamic Bank Berhad, Hong Leong Bank Vietnam Limited, Hong Leong Bank (Cambodia) PLC and Hong Leong Investment Bank Berhad (each and collectively, "Hong Leong Financial Institution(s)"):

1. placing of deposits by the Group with Hong Leong Financial Institutions; and

2. purchase of and/or subscription for debt securities and investment products issued by Hong Leong Financial Institutions by the Group.

(collectively, the "Banking Transactions").

As part of its principal investment and treasury operations, the Group from time to time places deposits with various financial institutions worldwide and purchases and/or subscribes for fixed income, debt securities and investment products issued by financial institutions and other corporations. The Banking Transactions are conducted in the ordinary and usual course of its business. The treasury functions involve the management of cashflows and cash resources, which the Group conducts with various financial institutions.

The outstanding balance of the Banking Transactions shall be subject to a maximum cap amount of US$181 million or its equivalent in other currencies at any time during the three financial years ended 30 June 2024.

Hong Leong Financial Institutions are associates of a connected person of the Company by virtue of the fact that they are indirect subsidiaries of HLCM of which Mr. Quek Leng Chan, a deemed controlling shareholder of the Company, is also a deemed controlling shareholder. The Banking Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules and the relevant disclosure requirements have been complied with.

From time to time during the year, the Group entered into deposit transactions which involved placing of deposits (including savings, current and other deposits in various currencies) with Hong Leong Financial Institutions as the deposit accepting banks (the "Deposit Transactions"). The Deposit Transactions were based on the relevant market rates at the time of each transaction and are broadly the same as those engaged by the Group with other unconnected financial institutions. During the year, the interest rate for the savings and time deposits for various currencies placed by the Group with Hong Leong Financial Institutions ranged from 0% to 5.88% per annum, and the tenor of the time deposits ranged from overnight to 3 months.

As at 30 June 2024, the balance of deposits placed by the Group with Hong Leong Financial Institutions was approximately US$13.8 million.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Continuing Connected Transactions (cont'd)

Banking Transactions (cont'd)

The Independent Non-executive Directors of the Company had reviewed the Banking Transactions during the year and confirmed that:

a. during the year, there was no subscription for or purchase of debt securities and investment products issued by Hong Leong Financial Institutions by the Group;

b. during the year, the maximum relevant aggregate amount of (i) the outstanding balance of deposits placed by the Group with Hong Leong Financial Institutions; and (ii) debt securities and investment products issued by Hong Leong Financial Institutions purchased and/or subscribed by the Group, was approximately US$49.2 million which did not exceed the cap amount of US$181 million or its equivalent as disclosed in the announcement of the Company dated 2 July 2021; and

c. the Deposit Transactions were entered into:

   – in the ordinary and usual course of business of the Group;

   – on normal commercial terms or better; and

   – in accordance with the relevant documents governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Investment Management and Advisory Agreements

Investment Management Agreement

An investment management agreement dated 1 November 2022 (the "Investment Management Agreement") was entered into between Asia Fountain Assets Limited ("AFAL", an indirect wholly-owned subsidiary of the Company) and GuoLine Advisory Pte. Ltd. ("GAPL") for provision of discretionary fund management services by GAPL to AFAL in relation to all the investment assets (including monies and other investment products) of AFAL, proceeds therefrom and dividend income, other than those which may be designated by AFAL as not forming part of the mandate of GAPL under the Investment Management Agreement (the "IMA Portfolio") for a term commenced from 1 November 2022 and ending on 31 October 2025 (both dates inclusive).

The fees payable under the Investment Management Agreement comprise:

1. a management fee (the "Management Fee") payable monthly in arrears at the rate of 0.5% per annum of the net asset value of the IMA Portfolio managed by GAPL on the last day of a calendar month; and

2. a performance fee (the "Performance Fee") payable annually in arrears of up to 10% per annum on the excess return. Excess return is the return on the IMA Portfolio for the relevant period/year over a reference return calculated based on the 1-year outlook of 3 Month United States Treasury Bill risk-free rate plus 4%.

REPORT OF THE DIRECTORS

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Continuing Connected Transactions (cont'd)

Investment Management and Advisory Agreements (cont'd)

Investment Advisory and Management Agreement

An investment advisory and management agreement dated 1 November 2022 (the "Investment Advisory and Management Agreement") was entered into between Guoco Management Company Limited ("GMC", a direct wholly-owned subsidiary of the Company) and GAPL for provision of investment advisory, management and related services to GMC, Asia Fountain Investment Company Limited (an indirect wholly-owned subsidiary of the Company) and other relevant wholly-owned subsidiaries of the Company (collectively the "Service Recipients") in relation to all their investment assets at any time other than those which may be designated by the Service Recipients as not forming part of the mandate of GAPL for a term commenced from 1 November 2022 and ending on 31 October 2025 (both dates inclusive).

GAPL will charge a monthly advisory fee (the "Advisory Fee") calculated based on the agreed allocation of the staff costs of the investment teams of GAPL and any other related costs as mutually agreed by the parties plus a 10% markup.

The total fees (the "Total Fees"), being the sum of the Management Fee, the Performance Fee and the Advisory Fee payable to GAPL under the Investment Management Agreement and the Investment Advisory and Management Agreement (collectively the "Investment Management and Advisory Agreements") for each of the relevant period/financial year shall be subject to the respective annual cap (the "Annual Cap") as stated below:

	Annual Caps HK$ million
From 1 November 2022 to 30 June 2023	69
For the year ended 30 June 2024	122
For the year ending 30 June 2025	154
From 1 July 2025 to 31 October 2025	55

GAPL is a 50:50 joint venture company owned by GuocoEquity Assets Limited ("GEAL") and GGMC. GEAL is a direct wholly-owned subsidiary of the Company. GGMC is a direct wholly-owned subsidiary of GCAL, the ultimate holding company and a substantial shareholder of the Company. Thus, GAPL is an associate of a connected person of the Company as defined under Chapter 14A of the Listing Rules. The transactions contemplated under the Investment Management and Advisory Agreements constitute continuing connected transactions for the Company under the Listing Rules and the relevant disclosure requirements have been complied with.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Continuing Connected Transactions (cont'd)

Investment Management and Advisory Agreements (cont'd)

The Independent Non-executive Directors of the Company had reviewed the aforesaid transactions during the year and confirmed that:

a. the transactions under the Investment Management and Advisory Agreements for the year were entered into:

   – in the ordinary and usual course of business of the Group;

   – on normal commercial terms or better; and

   – in accordance with the relevant documents governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

b. the Total Fees paid and payable by the Group to GAPL under the respective agreements for the year were as follows:

	Services fees paid and payable to GAPL HK$'000
Investment Management Agreement	27,068
Investment Advisory and Management Agreement	3,185
Total:	30,253
	(<HK$122 million)

The Total Fees paid and payable by the Group to GAPL under the Investment Management Agreement and the Investment Advisory and Management Agreement for the year amounted to approximately HK$30 million which did not exceed the Annual Cap of HK$122 million as disclosed in the announcement of the Company dated 1 November 2022.

REPORT OF THE DIRECTORS

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Continuing Connected Transactions (cont'd)

Auditor's Review

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions as mentioned above in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 55 to 59 of this annual report in accordance with Rule 14A.56 of the Listing Rules.

Connected Transactions

Joint Venture Agreement for a Project on a Land Parcel at Lentor Gardens in Singapore

On 22 September 2023, a joint venture agreement (the "LG Agreement") was entered into by GuocoLand (Singapore) Pte. Ltd. ("GLS"), a wholly-owned subsidiary of GuocoLand Limited ("GuocoLand", the Company's 66.8% owned subsidiary listed on Singapore Exchange Securities Trading Limited ("SGX")), Intrepid Investments Pte. Ltd. ("Intrepid") (collectively the "LG Shareholders") and Lentor Gardens Pte. Ltd. ("LGPL", now known as Lentor Mansion Pte. Ltd.), whereby the LG Shareholders agreed to jointly participate in development of all that parcel of land known as Lot 05424W of Mukim 20 and situated at Lentor Gardens, Singapore with a site area of 21,866.7 square meters (the "LG Property"). The agreed shareholding proportions in LGPL held by GLS and Intrepid are 60% and 40% respectively.

Pursuant to the LG Agreement, LGPL is the joint venture project company to undertake the acquisition, development and dealing of the LG Property (the "LG Project"), including, among other things, the acquisition of the LG Property, implementation and construction of the LG Project, management, operation and maintenance of the LG Property and LG Project (including marketing for sale of the residential units and lease of the childcare facilities) and funding for and dealing with the LG Property and the LG Project. The LG Property was won through a tender accepted by the Urban Redevelopment Authority of Singapore.

The total funding contribution of GLS is S$105 million, comprising share capital of S$27 million and a loan of S$78 million.

Intrepid is a wholly-owned subsidiary of Hong Leong Holdings Limited ("HLHL") which is in turn a subsidiary of Hong Leong Investment Holdings Pte. Ltd. ("HLIH"). As HLIH is a deemed substantial shareholder of the Company, Intrepid is an associate of a connected person of the Company as defined under Chapter 14A of the Listing Rules. The LG Agreement therefore constitutes a connected transaction of the Company and the relevant disclosure requirements have been complied with.

Details of the transaction are set out in the announcement of the Company dated 22 September 2023.

REPORT OF THE DIRECTORS

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Connected Transactions (cont'd)

Joint Venture Agreement for a Project in relation to a Land Parcel at Lentor Central in Singapore

On 18 December 2023, a joint venture agreement (the "LCP Agreement") was entered into by GLS, Intrepid and CSC Land Group (Singapore) Pte. Ltd. ("CSC Land") (collectively the "LCP Shareholders") as well as Lentor Central Park Pte. Ltd. ("LCP"), whereby the LCP Shareholders agreed to jointly participate in development of all that parcel of land known as Lot 05444T of Mukim 20 and situated at Lentor Central, Singapore with a site area of 14,703.2 square meters (the "LCP Property"). The agreed shareholding proportions in LCP held by Intrepid, GLS and CSC Land are 50%, 30% and 20% respectively.

Pursuant to the LCP Agreement, LCP is the joint venture project company to undertake the acquisition, development and dealing of the LCP Property (the "LCP Project"), including, among other things, the acquisition of the LCP Property, implementation and construction of the LCP Project, management, operation and maintenance of the LCP Property and LCP Project (including marketing for sale of the residential units and lease of the childhood development centre) and funding for and dealing with the LCP Property and the LCP Project. The LCP Property was won through a tender accepted by the Urban Redevelopment Authority of Singapore.

The total funding contribution of GLS is S$47,279,854, comprising share capital of S$1,200,000 and a loan of S$46,079,854.

Intrepid is a wholly-owned subsidiary of HLHL which is in turn a subsidiary of HLIH. As HLIH is a deemed substantial shareholder of the Company, Intrepid is an associate of a connected person of the Company as defined under Chapter 14A of the Listing Rules. The LCP Agreement therefore constitutes a connected transaction of the Company and the relevant disclosure requirements have been complied with.

Details of the transaction are set out in the announcement of the Company dated 18 December 2023.

Information of Hong Leong Holdings Limited

Intrepid, being a party to each of the LG Agreement and LCP Agreement, is a wholly-owned subsidiary of HLHL which is in turn a subsidiary of HLIH. Save for HLIH, HLHL is held by 57 minority shareholders, of which each of City Developments Limited ("CDL") and Garden Estates (Pte.) Limited ("GEPL") hold more than 5% shareholding interest. CDL is a company listed on the SGX and its principal activities are those of a property developer and owner, and investment holding. HLIH is the immediate and ultimate holding company of CDL. GEPL is a private company incorporated in Singapore and a subsidiary of HLIH. Its principal activities include development and sale of properties, and holding investments and investment properties.

Other than HLIH, CDL and GEPL, the remaining shareholding interests in HLHL are held by 55 minority shareholders who are primarily members of the Quek/Kwek extended family and companies connected to them with each of them hold less than 5% therein.

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. KWEK Leng Hai and Mr. KWEK Leng San are directors and shareholders of HLCM which is an investment holding company with subsidiaries engaging in, amongst others, financial services as well as manufacturing and distribution business.

Mr. KWEK Leng Hai and Mr. KWEK Leng San are shareholders of GCAL. Mr. KWEK Leng Hai is also a director of GCAL. GCAL is an investment holding company with subsidiaries engaging in, amongst others, principal investments as well as production and distribution of consumer goods.

The above Directors are considered as having interests in business apart from the Group's business, which may be likely to compete, directly or indirectly, with the Group's business during the year ended 30 June 2024 under Rule 8.10 of the Listing Rules.

CHANGE IN INFORMATION OF DIRECTORS

Saved as disclosed in this annual report, there was no change to any of the information required to be disclosed in relation to any Director pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules for the year ended 30 June 2024.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Directors, the Company maintained sufficient public float as at the date of this Report.

AUDITOR

A resolution for the re-appointment of KPMG as auditor of the Company is to be proposed at the forthcoming annual general meeting.

By Order of the Board

Christian K. NOTHHAFT
Executive Director and Chief Executive Officer

Hong Kong, 26 September 2024

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GUOCO GROUP LIMITED

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Guoco Group Limited ("the Company") and its subsidiaries (hereinafter referred to as "the Group") set out on pages 69 to 177, which comprise the consolidated statement of financial position as at 30 June 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

IMPAIRMENT OF HOTEL PROPERTIES, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS RELATED TO HOSPITALITY AND LEISURE BUSINESSES

Refer to notes 14, 15 and 16 to the consolidated financial statements and the accounting policies in notes 2(e), 2(f), 2(h) and 2(k)(ii).

The Key Audit Matter

The Group owns, leases and manages a number of hotels located in the United Kingdom which are measured at cost less accumulated depreciation and impairment losses. The Group also operates gaming and leisure businesses and holds casino and other gaming licences, and concessions in the United Kingdom, as well as a smaller number in Spain, the majority of which are classified as intangible assets with indefinite useful lives.

As at 30 June 2024, the carrying values of hotel properties, capitalised casino and other gaming licences and concessions and related right-of-use assets totalled US$1,950 million in aggregate, representing 11% of the Group's total assets as at that date.

The estimation of the recoverable amount of each cash generating unit ("CGU") to which these assets have been allocated is sensitive to the key assumptions applied, which include occupancy rates and revenue per available room in deriving the projected cash flows for hotel properties and related right-of-use assets; earnings multiples in deriving the projected cash flows for right-of-use assets related to casinos, casino and other gaming licences, and concessions, growth rates and the discount rates applied.

The current economic environment in the United Kingdom has continued to put pressure on hotel room rates and occupancy levels and earnings multiples for casinos.

We identified assessing potential impairment provision of hotel properties, intangible assets and right-of-use assets related to hospitality and leisure businesses as a key audit matter because of the significant level of management judgement required to be exercised in determining the assumptions adopted in the impairment assessments which can be inherently uncertain and could be subject to management bias.

How the matter was addressed in our audit

Our audit procedures to assess potential impairment of hotel properties, intangible assets and right-of-use assets related to hospitality and leisure businesses included the following:

- evaluating the Group's identification of CGUs and the amounts of hotel properties, casino and other gaming licences, and concessions and right-of-use assets related to hospitality and leisure businesses allocated to each CGU;
- evaluating the Group's process for identification of indicators of potential impairment of hotel properties and related right-of-use assets;
- assessing whether the Group's impairment assessment models were prepared in accordance with the requirements of the prevailing accounting standards;
- with the involvement of valuation specialists, assessing the discount rates adopted in the impairment assessment for right-of-use assets related to casinos, casino and other gaming licences, and concessions;
- assessing the valuation methodology adopted by the Group and comparing the key assumptions applied in the computation of recoverable amounts with external economic forecast and available industry data, which included occupancy rates and revenue per available room for hotel properties and related right-of-use assets, and earnings multiples for right-of-use assets related to casinos, casino and other gaming licences, and concessions;
- assessing the growth rates and discount rates adopted in the impairment assessments related to hotel properties and right-of-use assets related to hospitality by comparing them with historical rates, external economic forecast and available industry data, taking into consideration comparability and market factors;
- evaluating the historical accuracy of management's calculations of the recoverable amounts of each CGU by comparing the forecasts at the end of the previous financial year for key assumptions and estimates with the actual outcomes in the current year and evaluating the reasonableness of management's forecasts for financial performance by comparing with external data such as economic and industry, if available; and
- determining the extent of change in those estimates that, either individually or collectively, would be required for each CGU to be materially misstated and considering the likelihood of such a movement in those key estimates arising and whether there was any evidence of management bias.

INDEPENDENT AUDITOR'S REPORT

VALUATION OF INVESTMENT PROPERTIES

Refer to note 14 to the consolidated financial statements and the accounting policies in note 2(g).

The Key Audit Matter	How the matter was addressed in our audit
The Group owns a portfolio of investment properties, comprising commercial properties in Hong Kong, Singapore, Malaysia, and China. As at 30 June 2024, the carrying value of investment properties was US$4,952 million, representing 29% of the Group's total assets as at that date. The fair values of the Group's investment properties were assessed by management based on independent valuations prepared by external property valuers. The net changes in fair value of investment properties in the consolidated income statement represented 1% of the Group's profit before taxation for the year ended 30 June 2024. We identified valuation of investment properties as a key audit matter because the determination of the fair values involves significant judgement and estimation, particularly in selecting the appropriate valuation methodology and in determining the underlying assumptions, which increase the risk of error or potential management bias, and because the valuations are sensitive to the key assumptions applied, including those relating to capitalisation rate, comparable sales price, the discount rates applied and terminal yield rates.	Our audit procedures to assess the valuation of investment properties included the following: • evaluating the qualifications, experience and competence of the external property valuers engaged by management and holding discussions with the external property valuers to understand their valuation methods; • assessing the rental information used in the valuations by comparing specific details with underlying leases and externally available industry data; and • with the involvement of internal property valuation specialists, evaluating the valuation methodology used by the external property valuers based on our knowledge of other property valuers for similar types of properties, assessing the key assumptions adopted in the valuations, including those relating to capitalisation rate, comparable sales price, the discount rates applied and terminal yield rates, by comparing them with historical rates and available industry data, taking into consideration comparability and market factors and conditions, and considering the possibility of error or management bias in the selection of assumptions adopted, on a sample basis.

INDEPENDENT AUDITOR'S REPORT

VALUATION OF DEVELOPMENT PROPERTIES AND PROPERTIES HELD FOR SALE

Refer to notes 22 and 23 to the consolidated financial statements and the accounting policies in note 2(i).

The Key Audit Matter	How the matter was addressed in our audit
The Group's development properties and properties held for sale mainly comprise residential properties under development and completed properties in Singapore, Malaysia and China. As at 30 June 2024, the carrying values of development properties and properties held for sale totalled US$2,035 million in aggregate, representing 12% of the Group's total assets as at that date. Development properties and properties held for sale are stated at the lower of their costs and net realisable values ("NRV"). The assessment of NRV of development properties and properties held for sale involves the exercise of significant management judgement, particularly in estimating forecast selling prices and estimated costs to complete the development of the properties. The uncertain macro-economic outlook and market sentiments might exert downward pressure on property prices given the current economic slowdown and prevailing government policies in the jurisdictions in which the development properties are located. Total development costs may also vary with market conditions and unforeseen circumstances may arise during construction leading to cost overruns. We identified valuation of development properties and properties held for sale as a key audit matter because the assessment of NRV is inherently subjective and requires significant management judgement and estimation in relation to forecasting selling prices, development costs and selling expenses, which increases the risk of error or potential management bias.	Our audit procedures to assess the valuation of development properties and properties held for sale included the following: • evaluating the Group's estimated total development costs, by comparing the costs with contracts and related agreements, taking into consideration the costs incurred to date, construction progress and any significant deviation in design plans or cost overruns; and • assessing the Group's forecast selling prices, by comparison with recent transacted sales prices for the same project and/or comparable properties in the vicinity of the development and considering the possibility of error or management bias.

INDEPENDENT AUDITOR'S REPORT

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Board Audit and Risk Management Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board Audit and Risk Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board Audit and Risk Management Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board Audit and Risk Management Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Hui Chuen Hoi.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 September 2024

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 US$'000	2023 (Restated) US$'000	2024 HK$'000 (note 1(c))	2023 (Restated) HK$'000 (note 1(c))
Turnover	5	**3,302,150**	2,810,466	**25,785,664**	22,022,812
Revenue	5	**2,884,686**	2,489,566	**22,525,792**	19,508,239
Cost of sales		**(1,696,588)**	(1,484,704)	**(13,248,232)**	(11,634,141)
Other attributable costs		**(119,691)**	(95,506)	**(934,637)**	(748,385)
		1,068,407	909,356	**8,342,923**	7,125,713
Other revenue	6(a)	**40,594**	79,028	**316,988**	619,263
Other net income	6(b)	**139,613**	124,702	**1,090,203**	977,165
Administrative and other operating expenses		**(582,253)**	(696,405)	**(4,546,668)**	(5,457,030)
Profit from operations before finance costs		**666,361**	416,681	**5,203,446**	3,265,111
Finance costs	7(a)	**(289,867)**	(197,263)	**(2,263,499)**	(1,545,753)
Profit from operations		**376,494**	219,418	**2,939,947**	1,719,358
Valuation surplus on investment properties	14	**3,167**	104,909	**24,730**	822,067
Share of profits of associates and joint ventures	7(c)	**185,797**	169,527	**1,450,842**	1,328,414
Profit for the year before taxation	7	**565,458**	493,854	**4,415,519**	3,869,839
Taxation	8(a)	**(95,868)**	(20,841)	**(748,609)**	(163,310)
Profit for the year		**469,590**	473,013	**3,666,910**	3,706,529
Attributable to:					
Equity shareholders of the Company		**458,581**	438,974	**3,580,943**	3,439,799
Non-controlling interests		**11,009**	34,039	**85,967**	266,730
Profit for the year		**469,590**	473,013	**3,666,910**	3,706,529
Earnings per share		**US$**	US$	**HK$**	HK$
Basic	12	**1.41**	1.35	**11.01**	10.58
Diluted	12	**1.41**	1.35	**11.01**	10.58

The notes on pages 77 to 177 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 11.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	2024 US$'000	2023 (Restated) US$'000	2024 HK$'000 (note 1(c))	2023 (Restated) HK$'000 (note 1(c))
Profit for the year	**469,590**	473,013	**3,666,910**	3,706,529
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)	**(78,233)**	(76,447)	**(610,902)**	(599,039)
Actuarial gain/(loss) on defined benefit obligation	**321**	(7,515)	**2,507**	(58,888)
	(77,912)	(83,962)	**(608,395)**	(657,927)
Items that may be reclassified subsequently to profit or loss:				
Exchange translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	**(20,953)**	(74,045)	**(163,617)**	(580,217)
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries and joint ventures	**15,014**	–	**117,241**	–
Changes in fair value of cash flow hedge	**(979)**	(115)	**(7,645)**	(901)
Changes in fair value on net investment hedge	**554**	18,738	**4,326**	146,831
Share of other comprehensive income of associates	**13,727**	14,702	**107,191**	115,205
	7,363	(40,720)	**57,496**	(319,082)
Other comprehensive income for the year, net of tax	**(70,549)**	(124,682)	**(550,899)**	(977,009)
Total comprehensive income for the year	**399,041**	348,331	**3,116,011**	2,729,520
Total comprehensive income for the year attributable to:				
Equity shareholders of the Company	**384,920**	310,240	**3,005,744**	2,431,039
Non-controlling interests	**14,121**	38,091	**110,267**	298,481
	399,041	348,331	**3,116,011**	2,729,520

The notes on pages 77 to 177 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024

	Note	2024 US$'000	2023 (Restated) US$'000	2024 HK$'000 (note 1(c))	2023 (Restated) HK$'000 (note 1(c))
NON-CURRENT ASSETS					
Investment properties	14	**4,952,477**	4,718,560	**38,672,655**	36,974,636
Other property, plant and equipment	14	**1,530,833**	1,516,728	**11,953,892**	11,885,081
Right-of-use assets	15	**729,664**	720,258	**5,697,764**	5,643,942
Interest in associates and joint ventures	18	**2,193,493**	1,860,850	**17,128,438**	14,581,621
Equity investments at FVOCI	20	**626,042**	733,893	**4,888,605**	5,750,786
Deferred tax assets	35	**109,581**	128,819	**855,691**	1,009,426
Intangible assets	16	**850,220**	865,675	**6,639,155**	6,783,429
Goodwill	21	**305,229**	304,937	**2,383,457**	2,389,486
Pensions surplus	33	**9,343**	8,430	**72,957**	66,058
		11,306,882	10,858,150	**88,292,614**	85,084,465
CURRENT ASSETS					
Development properties	22	**1,827,610**	2,561,266	**14,271,350**	20,070,080
Properties held for sale	23	**207,870**	212,616	**1,623,205**	1,666,059
Inventories	24	**55,052**	48,971	**429,887**	383,737
Deposits for land	25	**–**	129,118	**–**	1,011,769
Contract assets	26	**523,801**	28,584	**4,090,231**	223,984
Trade and other receivables	27	**274,501**	220,189	**2,143,510**	1,725,401
Tax recoverable	8(d)	**12,700**	20,113	**99,171**	157,605
Trading financial assets	28	**1,232,723**	1,233,159	**9,626,026**	9,663,034
Cash and short term funds	29	**1,909,223**	1,635,097	**14,908,645**	12,812,620
Assets held for sale	30	**428**	–	**3,342**	–
		6,043,908	6,089,113	**47,195,367**	47,714,289
CURRENT LIABILITIES					
Contract liabilities	26	**206,565**	217,329	**1,613,014**	1,702,990
Trade and other payables	31	**727,563**	640,975	**5,681,358**	5,022,680
Bank loans and other borrowings	32	**1,800,637**	1,019,344	**14,060,724**	7,987,580
Taxation	8(d)	**11,502**	35,913	**89,816**	281,414
Provisions and other liabilities	33	**17,791**	16,829	**138,925**	131,872
Lease liabilities	34	**50,756**	62,223	**396,341**	487,579
		2,814,814	1,992,613	**21,980,178**	15,614,115
NET CURRENT ASSETS		**3,229,094**	4,096,500	**25,215,189**	32,100,174
TOTAL ASSETS LESS CURRENT LIABILITIES		**14,535,976**	14,954,650	**113,507,803**	117,184,639

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024

	Note	2024 US$'000	2023 (Restated) US$'000	2024 HK$'000 (note 1(c))	2023 (Restated) HK$'000 (note 1(c))
NON-CURRENT LIABILITIES					
Bank loans and other borrowings	32	**2,929,200**	3,689,265	**22,873,391**	28,909,081
Amount due to non-controlling interests		**373,490**	318,283	**2,916,490**	2,494,066
Provisions and other liabilities	33	**55,385**	53,862	**432,488**	422,063
Deferred tax liabilities	35	**71,915**	26,712	**561,566**	209,315
Lease liabilities	34	**982,286**	975,098	**7,670,426**	7,640,868
		4,412,276	5,063,220	**34,454,361**	39,675,393
NET ASSETS		**10,123,700**	9,891,430	**79,053,442**	77,509,246
CAPITAL AND RESERVES					
Share capital	36(c)	**164,526**	164,526	**1,284,742**	1,289,226
Reserves		**7,692,697**	7,430,305	**60,070,348**	58,223,870
Total equity attributable to equity shareholders of the Company		**7,857,223**	7,594,831	**61,355,090**	59,513,096
Non-controlling interests		**2,266,477**	2,296,599	**17,698,352**	17,996,150
TOTAL EQUITY		**10,123,700**	9,891,430	**79,053,442**	77,509,246

Approved and authorised for issue by the Board of Directors on 26 September 2024.

KWEK Leng Hai
Christian K. NOTHHAFT
Directors

The notes on pages 77 to 177 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	Attributable to equity shareholders of the Company													
	Share capital US$'000	Share premium US$'000	Capital and other reserves US$'000	Contributed surplus US$'000	ESOS reserve US$'000	Share option reserve US$'000	Exchange translation reserve US$'000	Fair value reserve US$'000	Hedging reserve US$'000	Revaluation reserve US$'000	Retained profits US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 July 2023	164,526	10,493	(50,163)	2,806	(39,017)	23	(666,729)	(813,127)	15,734	46,692	8,901,279	7,572,517	2,296,599	9,869,116
Effect of changes of accounting policies – adopting HKFRS 17 by an associate	-	-	48	-	-	-	(1,181)	-	-	-	23,447	22,314	-	22,314
Adjusted balance at 1 July 2023	164,526	10,493	(50,115)	2,806	(39,017)	23	(667,910)	(813,127)	15,734	46,692	8,924,726	7,594,831	2,296,599	9,891,430
Profit for the year	-	-	-	-	-	-	-	-	-	-	458,581	458,581	11,009	469,590
Exchange translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	-	(18,340)	-	-	-	-	(18,340)	(2,613)	(20,953)
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries and joint ventures	-	-	-	-	-	-	9,611	-	-	-	-	9,611	5,403	15,014
Changes in fair value of equity investments at FVOCI	-	-	-	-	-	-	-	(78,233)	-	-	-	(78,233)	-	(78,233)
Transfer upon disposal of equity investments at FVOCI	-	-	-	-	-	-	-	8,787	-	-	(8,787)	-	-	-
Changes in fair value of cash flow hedge	-	-	-	-	-	-	-	-	(1,074)	-	-	(1,074)	95	(979)
Changes in fair value on net investment hedge	-	-	-	-	-	-	-	-	327	-	-	327	227	554
Actuarial gain on defined benefit obligation	-	-	-	-	-	-	-	-	-	-	321	321	-	321
Share of other comprehensive income of associates	-	-	(230)	-	-	-	136	13,678	-	-	143	13,727	-	13,727
Total comprehensive income for the year	-	-	(230)	-	-	-	(8,593)	(55,768)	(747)	-	450,258	384,920	14,121	399,041
Transfer between reserves	-	-	13,994	-	-	-	-	520	-	-	(14,514)	-	-	-
Equity-settled share-based transactions	-	-	2,679	-	-	827	-	-	-	-	-	3,506	806	4,312
Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	75	-	-	-	12,474	12,549	(24,389)	(11,840)
Distribution payment for perpetual securities	-	-	-	-	-	-	-	-	-	-	-	-	(13,561)	(13,561)
Accrued distribution for perpetual securities	-	-	-	-	-	-	-	-	-	-	(13,598)	(13,598)	13,598	-
Capitalisation of shareholders' loan from non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	27	27
Dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(20,724)	(20,724)
Final dividend paid in respect of the prior year	-	-	-	-	-	-	-	-	-	-	(104,339)	(104,339)	-	(104,339)
Interim dividend paid in respect of the current year	-	-	-	-	-	-	-	-	-	-	(20,783)	(20,783)	-	(20,783)
Refund of unclaimed dividends	-	-	-	-	-	-	-	-	-	-	137	137	-	137
At 30 June 2024	164,526	10,493	(33,672)	2,806	(39,017)	850	(676,428)	(868,375)	14,987	46,692	9,234,361	7,857,223	2,266,477	10,123,700

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	Attributable to equity shareholders of the Company													
	Share capital US$'000	Share premium US$'000	Capital and other reserves US$'000	Contributed surplus US$'000	ESOS reserve US$'000	Share option reserve US$'000	Exchange translation reserve US$'000	Fair value reserve US$'000	Hedging reserve US$'000	Revaluation reserve US$'000	Retained profits US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 July 2022	164,526	10,493	(68,118)	2,806	(39,017)	(541)	(599,718)	(754,505)	3,332	46,692	8,591,249	7,357,199	2,244,822	9,602,021
Effect of changes of accounting policies – adopting HKFRS 17 by an associate	–	–	94	–	–	–	–	–	–	–	18,403	18,497	–	18,497
Adjusted balance at 1 July 2022	164,526	10,493	(68,024)	2,806	(39,017)	(541)	(599,718)	(754,505)	3,332	46,692	8,609,652	7,375,696	2,244,822	9,620,518
Profit for the year	–	–	–	–	–	–	–	–	–	–	438,974	438,974	34,039	473,013
Exchange translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	–	–	–	–	–	–	(71,866)	–	–	–	–	(71,866)	(2,179)	(74,045)
Changes in fair value of equity investments at FVOCI	–	–	–	–	–	–	–	(76,447)	–	–	–	(76,447)	–	(76,447)
Transfer upon disposal of equity investments at FVOCI	–	–	–	–	–	–	–	5,676	–	–	(5,676)	–	–	–
Changes in fair value of cash flow hedge	–	–	–	–	–	–	–	–	(133)	–	–	(133)	18	(115)
Changes in fair value on net investment hedge	–	–	–	–	–	–	–	–	12,525	–	–	12,525	6,213	18,738
Actuarial loss on defined benefit obligation	–	–	–	–	–	–	–	–	–	–	(7,515)	(7,515)	–	(7,515)
Share of other comprehensive income of associates	–	–	(1,267)	–	–	–	3,249	12,149	10	–	561	14,702	–	14,702
Total comprehensive income for the year	–	–	(1,267)	–	–	–	(68,617)	(58,622)	12,402	–	426,344	310,240	38,091	348,331
Transfer between reserves	–	–	19,040	–	–	–	–	–	–	–	(19,040)	–	–	–
Equity-settled share-based transactions	–	–	–	–	–	564	–	–	–	–	–	564	494	1,058
Acquisition of additional interests in subsidiaries	–	–	–	–	–	–	425	–	–	–	4,528	4,953	(12,279)	(7,326)
Distribution payment for perpetual securities	–	–	–	–	–	–	–	–	–	–	–	–	(13,560)	(13,560)
Accrued distribution for perpetual securities	–	–	–	–	–	–	–	–	–	–	(13,825)	(13,825)	13,825	–
Share-based payments	–	–	136	–	–	–	–	–	–	–	–	136	4	140
Capitalisation of shareholders' loan from non-controlling interests of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	43,850	43,850
Share capital reduction in a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	(649)	(649)
Dividends paid to non-controlling interests by subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	(17,999)	(17,999)
Final dividend paid in respect of the prior year	–	–	–	–	–	–	–	–	–	–	(62,217)	(62,217)	–	(62,217)
Interim dividend paid in respect of the current year	–	–	–	–	–	–	–	–	–	–	(20,716)	(20,716)	–	(20,716)
At 30 June 2023	164,526	10,493	(50,115)	2,806	(39,017)	23	(667,910)	(813,127)	15,734	46,692	8,924,726	7,594,831	2,296,599	9,891,430

The notes on pages 77 to 177 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 US$'000	2023 (Restated) US$'000
Operating activities			
Profit for the year before taxation		**565,458**	493,854
Adjustments for:			
– Finance costs	7(a)	**289,867**	197,263
– Interest income	5	**(77,184)**	(50,308)
– Dividend income	5	**(103,245)**	(104,737)
– Depreciation charged on other property, plant and equipment	7(c)	**59,826**	66,142
– Depreciation charged on right-of-use assets	7(c)	**32,834**	36,461
– Amortisation of intangible assets	7(c)	**33,633**	35,989
– Equity-settled share-based payment expenses	7(b)	**4,330**	1,014
– Net impairment loss recognised on other property, plant and equipment	7(c)	**3,304**	57,039
– Net impairment loss recognised on intangible assets	7(c)	**2,327**	33,464
– Net impairment loss recognised on right-of-use assets	7(c)	**3,986**	45,157
– Impairment loss recognised on interest in an associate	7(c)	**2,976**	–
– Impairment loss recognised on goodwill	7(c)	**–**	7,477
– Impairment loss recognised on interest in a joint venture	7(c)	**–**	32,272
– Net write down and allowance for foreseeable losses of development properties and properties held for sale	7(c)	**108,540**	35,891
– Valuation surplus on investment properties	14	**(3,167)**	(104,909)
– Share of profits of associates and joint ventures	7(c)	**(185,797)**	(169,527)
– Net losses on disposal of property, plant and equipment	6(b)	**1,616**	1,064
– Net losses on disposal of intangible assets	6(b)	**–**	57
– Loss on disposal of interest in a joint venture	6(b)	**6,663**	–
– Loss on disposal of a subsidiary	6(b)	**431**	–
– Provision made during the year	6(b)	**2,501**	–
– Gain on increase in interest in an associate	6(b)	**(10,333)**	–
– Fair value gain on transfer from properties held for sale to investment properties	23	**(91,826)**	–
Operating profit before changes in working capital		**646,740**	613,663
(Increase)/decrease in trade and other receivables		**(41,303)**	13,569
Decrease/(increase) in trading financial assets		**436**	(112,837)
Decrease in equity investments at FVOCI		**29,618**	32,462
Decrease in development properties		**526,569**	41,680
Decrease in properties held for sale		**26,822**	84,497
Decrease/(increase) in deposits for land		**129,118**	(129,118)
(Increase)/decrease in contract assets		**(498,847)**	143,264
(Increase)/decrease in inventories		**(6,234)**	10,677
Decrease in provisions and other liabilities		**(399)**	(5,088)
(Decrease)/increase in contract liabilities		**(11,520)**	93,579
Increase in trade and other payables		**86,416**	219
Cash generated from operations		**887,416**	786,567
Interest received		**73,967**	43,683
Dividend received from equity investments		**102,732**	111,607
Taxation			
– Hong Kong Profits Tax paid		**(171)**	(518)
– Overseas tax paid		**(46,949)**	(48,955)
Net cash generated from operating activities		**1,016,995**	892,384

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 US$'000	2023 (Restated) US$'000
Investing activities			
Net advance to associates and joint ventures		**(225,130)**	(14,126)
Purchase of property, plant and equipment		**(74,964)**	(62,482)
Additions in investment properties under development		**(44,397)**	(87,228)
Purchase of intangible assets		**(20,284)**	(16,804)
Acquisition of additional interests in subsidiaries		**(11,840)**	(7,326)
Net cash outflows from disposal of a subsidiary	37	**(1,065)**	–
Proceeds from disposal of property, plant and equipment		**58**	870
Dividends received from associates and joint ventures		**86,596**	30,969
Decrease/(increase) in fixed deposits with maturity over three months		**22,301**	(228,369)
Capital contribution to an associate and joint ventures		**(40,821)**	(365)
Proceeds from disposal of interest in a joint venture		**44,844**	–
Net cash used in investing activities		**(264,702)**	(384,861)
Financing activities			
Net proceeds from/(repayment of) bank loans and other borrowings		**24,381**	(221,558)
Decrease/(increase) in cash collateral		**131**	(1,758)
Distribution payment of perpetual securities by a subsidiary		**(13,561)**	(13,560)
Share capital reduction in a subsidiary		**–**	(649)
Advance from non-controlling interests		**42,148**	28,519
Capital element of lease rentals paid		**(51,448)**	(59,680)
Interest element of lease rentals paid		**(50,392)**	(46,606)
Interest paid		**(256,680)**	(196,833)
Dividends paid to non-controlling interests by subsidiaries		**(20,724)**	(17,999)
Dividends paid to equity shareholders of the Company		**(125,122)**	(82,933)
Net cash used in financing activities		**(451,267)**	(613,057)
Net increase/(decrease) in cash and cash equivalents		**301,026**	(105,534)
Cash and cash equivalents at 1 July	29(a)	**1,243,770**	1,345,816
Effect of foreign exchange rate changes		**(6,619)**	3,488
Cash and cash equivalents at 30 June	29(a)	**1,538,177**	1,243,770

The notes on pages 77 to 177 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. 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"). These financial statements also comply with the applicable disclosure provisions of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed.

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 4 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 2024 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 as explained in the accounting policies set out in note 2.

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.

Judgements made by management in the application of HKFRSs that have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Hong Kong dollar amounts

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

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES

(a) Revenue recognition

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sale of properties

The Group develops and sells residential projects to customers through fixed-price contracts. Revenue is recognised when the control over the residential project has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the residential project over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

The residential projects have no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment arising from the contractual terms. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction of the residential project. The measurement of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measurement of progress and instead are expensed as incurred.

For certain contracts where the Group does not have enforceable rights to payment, revenue is recognised only when the completed residential project is delivered to the customer and the customer has accepted it in accordance with the sales contract.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(a) Revenue recognition (cont'd)

(i) Sale of properties (cont'd)

Under certain payment schemes, the time when payments are made by the buyer and the transfer of control of the property to the buyer do not coincide and, where the difference between the timing of receipt of the payments and the satisfaction of a performance obligation is 12 months or more, the entity adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the entity uses a discount rate that would reflect that of a separate financing transaction between the entity and its customer at contract inception. A finance income or finance expense will be recognised depending on the arrangement.

Revenue is measured at the transaction price agreed under the contract. Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(ii) Rental income from operating leases

Rental income under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(iii) Sales of goods and services

Revenue is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

(iv) Dividends

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(v) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(a) Revenue recognition (cont'd)

(vi) Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(vii) Casino revenue represents the gaming win before deduction of gaming duty.

(viii) Revenue from hotel operations is recognised in profit or loss on an accrual basis, upon services being rendered. Revenue from hotel operations includes room rental, income earned from sales of food and beverages, rendering of laundry services and other miscellaneous income.

(b) Investments

(i) Investments in debt and equity securities

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures, are as follows:

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 39(f). These investments are subsequently accounted for as follows, depending on their classification.

Investments other than equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see note 2(a)(v)).

– FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

– FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(b) Investments (cont'd)

(i) Investments in debt and equity securities (cont'd)

Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 2(a)(iv).

(ii) Subsidiaries and non-controlling interests

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(b) Investments (cont'd)

(ii) Subsidiaries and non-controlling interests (cont'd)

Non-controlling interests

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non- controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(l) or (n) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(b)(i)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see note 2(b)(iii)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(k)(ii)).

(iii) Associates and joint ventures

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 2(d) and 2(k)(ii)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income, after adjusting, where necessary to ensure consistency with the Group's accounting policies.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(b) Investments (cont'd)

(iii) Associates and joint ventures (cont'd)

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(b)(i)).

In the Company's statement of financial position, investments in associates and joint ventures are stated at cost less impairment losses (see note 2(k)(ii)).

(c) Derivative financial instruments and hedging activities

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedge of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

(i) Cash flow hedges

Where a derivative financial instrument is designated as a hedging instrument in a cash flow hedge, the effective portion of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is reclassified from equity to be included in the initial cost or other carrying amount of the non-financial asset or liability.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified from equity to profit or loss in the same period or periods during which the hedged cash flows affect profit or loss (such as when a forecast sale occurs or interest expense is recognised).

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(c) Derivative financial instruments and hedging activities (cont'd)

(i) Cash flow hedges (cont'd)

If a hedge no longer meets the criteria for hedge accounting (including when the hedging instrument expires or is sold, terminated or exercised), then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, but the hedged forecast transaction is still expected to occur, the amount that has been accumulated in the hedging reserve remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the amount that has been accumulated in the hedging reserve is reclassified from equity to profit or loss immediately.

(ii) Hedge of net investments in foreign operations

The effective portion of any foreign exchange gain or loss on the borrowings is recognised in other comprehensive income and accumulated in equity in the exchange reserve until the disposal of the foreign operation, at which time the cumulative gain or loss is reclassified from equity to profit or loss. The ineffective portion is recognised immediately in profit or loss.

(d) Goodwill

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(k)(ii)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(e) Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(k)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(f) Other property, plant and equipment and depreciation

(i) Properties are stated at cost less accumulated depreciation and impairment loss (see note 2(k)(ii)). Depreciation is calculated to write off the cost of the assets less their estimated residual value using the straight-line method over their estimated useful lives as follows:

- Freehold land is not depreciated.

- Building situated on freehold land are depreciated over their remaining useful economic lives (up to 100 years).

- Land held under operating leases and buildings thereon are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion.

(ii) Furniture, fixtures and equipment are stated at cost less accumulated depreciation and impairment loss (see note 2(k)(ii)). Depreciation is calculated on a straight-line basis to write off the cost of the assets over their estimated useful lives, taken as being 3 to 15 years.

(iii) Both the useful life of an asset and its residual value, if any, are reviewed annually.

(iv) Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

(g) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2(h)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(a)(ii).

(h) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(h) Leased assets (cont'd)

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see note 2(k)(ii)). The right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or a rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right- of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(h) Leased assets (cont'd)

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(a)(ii).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 2(h)(i), then the Group classifies the sub-lease as an operating lease.

(i) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value as follows:

Property development

Cost and net realisable values are determined as follows:

– *Property under development for sale*

The cost of properties under development for sale comprises specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised (see note 2(t)). Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

– *Completed property held for resale*

The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

In the case of completed properties developed by the Group which comprise of multiple units which are sold individually, the cost of each unit is determined by apportionment of the total development costs for that development project to each unit on a per square foot basis, unless another basis is more representative of the cost of the specific unit. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(i) Inventories (cont'd)

Other inventories

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory (see note 2(i)), property, plant and equipment (see note 2(f)) or intangible assets (see note 2(e)).

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. an incremental sales commission. Incremental costs of obtaining a contract are capitalised when incurred if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract (for example, payments to sub-contractors). Other costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

Amortisation of capitalised contract costs is charged to profit or loss when the revenue to which the asset relates is recognised. The accounting policy for revenue recognition is set out in note 2(a).

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(j) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 2(a)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses ("ECL") in accordance with the policy set out in note 2(k)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 2(m)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(a)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(m)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(a)).

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for ECLs on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables and amounts due from associates and joint ventures which are held for the collection of contractual cash flow which represent solely payments of principal and interest);

- contract assets as defined in HKFRS 15; and

- lease receivables.

Financial assets measured at fair value, including units in bond funds, equity and debt securities measured at FVPL, equity securities designated at FVOCI (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;

- variable-rate financial assets: current effective interest rate; and

- lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(k) Credit losses and impairment of assets (cont'd)

(i) Credit losses from financial instruments, contract assets and lease receivables (cont'd)

Measurement of ECLs (cont'd)

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

– lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– failure to make payments of principal or interest on their contractually due dates;

– an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

– an actual or expected significant deterioration in the operating results of the debtor; and

– existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(k) Credit losses and impairment of assets (cont'd)

(i) Credit losses from financial instruments, contract assets and lease receivables (cont'd)

Significant increases in credit risk (cont'd)

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 2(a)(v) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(k) Credit losses and impairment of assets (cont'd)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- other property, plant and equipment including right-of-use assets (other than properties carried at revalued amounts);
- intangible assets;
- goodwill; and
- investments in subsidiaries, associates and joint ventures in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- *Calculation of recoverable amount*

  The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- *Recognition of impairment losses*

  An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- *Reversals of impairment losses*

  In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

  A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(l) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 2(t)).

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 2(k)(i)).

(n) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(o) Perpetual securities

Perpetual securities do not have a maturity date and coupon payment is optional at the discretion of the Group. As the Group does not have a contractual obligation to repay the principal nor make any distributions, perpetual securities are classified as equity.

Any distributions made are treated as dividends and directly debited from equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, i.e. having less than three months maturity on acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in note 2(k)(i).

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(q) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(q) Income tax (cont'd)

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  - the same taxable entity; or

  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(r) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income (see note 2(c)(ii)).

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into United States dollars at the average exchange rates for the year. Items presented in the consolidated statement of financial position, including goodwill arising on consolidation of foreign operations acquired, are translated into United States dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange translation reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(s) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Defined benefit retirement plan obligations

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Service cost and net interest expense (income) on the net defined benefit liability (asset) are recognised in profit or loss and allocated by function as part of "cost of sales", "distribution costs" or "administrative expenses". Current service cost is measured as the increase in the present value of the defined benefit obligation resulting from employee service in the current period. Net interest expense (income) for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the net defined benefit liability (asset). The discount rate is the yield at the end of the reporting period on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(s) Employee benefits (cont'd)

(ii) Defined benefit retirement plan obligations (cont'd)

When the benefits of a plan are changed, or when a plan is curtailed, current service cost for the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised as an expense in profit or loss at the earlier of when the plan amendment or curtailment occurs and when related restructuring costs or termination benefits are recognised.

Remeasurements arising from defined benefit retirement plans are recognised in other comprehensive income and reflected immediately in retained earnings. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

(iii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share option reserve within equity. The fair value is measured at grant date using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that are expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

(t) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(u) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised within trade and other payables at fair value, which is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

Subsequent to initial recognition, the amount initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

(ii) Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with note 2(u)(iii). Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed in accordance with note 2(u)(iii).

(iii) Other provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(iv) Onerous contracts

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of continuing with the contract.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(v) Related parties

(i) A person, or a close member of that person's family, is related to the Group if that person:

(a) has control or joint control over the Group;

(b) has significant influence over the Group; or

(c) is a member of the key management personnel of the Group or the Group's parent.

(ii) An entity is related to the Group if any of the following conditions applies:

(a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(c) Both entities are joint ventures of the same third party.

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(f) The entity is controlled or jointly controlled by a person identified in (i).

(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(x) Government grants

Government grants are recognised initially in the statement of financial position when there is reasonable assurance that they will be received and the Group will comply with the conditions attaching to them. These grants are then recognised in profit or loss as 'other revenue' on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other revenue' on a systematic basis in the same period in which the expenses are recognised.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The key assumptions concerning the future and the accounting estimates that have a significant effect on the carrying value of assets and liabilities in the statement of financial position and the profit or loss items are discussed below:

(a) Investment properties (note 14)

At the end of reporting period, investment properties are stated at fair value based on valuations performed by independent professional valuers. The valuers determine fair value based on a method of valuation which involves certain estimates. In relying on the valuation report prepared by the valuers, management has reviewed the valuation including the assumptions and estimates adopted.

(b) Impairment of assets

The Group tests at least annually whether goodwill and casino licences that have indefinite useful lives have suffered any impairment. Hotel properties, casino licences and brand names with definite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit has been determined based on value-in-use calculations or fair value less cost to sell. There are a number of assumptions and estimates involved in the calculations.

(c) Development properties and properties held for sale (notes 22 and 23)

The Group's development properties comprise residential properties in the course of development and properties held for sale comprise completed properties in Singapore, Malaysia and China. Development properties and properties held for sale are stated at the lower of their cost and their net realisable value. The determination of the net realisable value of a development property in the course of development is dependent on the Group's forecast selling price for the property and estimated costs to complete the development of the property. The costs to complete the development of the property is in turn derived from the Group's estimate of the total development costs of the property less the actual expenditure incurred. The determination of the net realisable value of a completed property is dependent on the Group's forecast selling price for the property.

(d) Income taxes (notes 8 and 35)

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures based on its estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences would impact the income tax and deferred tax provisions in the period in which such determination is made.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(e) Defined benefit retirement plan obligations (note 38)

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets is deducted. The calculation is performed annually using the projected unit credit method. The amount of the excess of the present value of each plan's liabilities over the fair value of that plan's assets is recognised upon notification to the Group.

The actuaries use assumptions and estimates in determining the fair value of the defined benefit retirement plans. Judgement is required to determine the principal actuarial assumptions to determine the present value of defined benefit obligations and service costs. Changes to the principal actuarial assumptions can significantly affect the present value of plan obligations and service costs in future periods.

4. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA, which are first effective for the current accounting period of the Group, to these financial statements for the current accounting period:

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

The Group and Company are still assessing the impact of the following amendments to published standards and interpretations that are effective for the financial year beginning on or after 1 July 2023 to the Group's and Company's financial statements in the year of initial application:

- Amendments to HKAS 12 – International tax reform – pillar two model rules

The ultimate holding company and its subsidiaries (the "UHC Group") of which the Group is a part of, is within the scope of the Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules whereby top-up tax on profits is required in any jurisdictions in which it operates when the blended effective tax rate in each of those jurisdictions is lower than the minimum effective tax rate of 15%.

The UHC Group will be adopting the Pillar Two model rules effective from the financial year beginning on or after 1 January 2025. Some foreign tax jurisdictions where the Group operates including the United Kingdom, Australia, will implement the Pillar Two model rules earlier starting from the financial year beginning on or after 1 January 2024.

The Amendments to HKAS 12 "Income Taxes – International Tax Reform – Pillar Two Model Rules" introduce a temporary mandatory exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as well as disclosure requirements on the exposure to Pillar Two income taxes upon adoption.

Accordingly, the Group has applied the temporary mandatory exception in Amendments to HKAS 12 "International Tax Reform – Pillar Two Model Rules" retrospectively and is not accounting for deferred taxes arising from any top-up tax due to the Pillar Two model rules in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

4. CHANGES IN ACCOUNTING POLICIES (cont'd)

The UHC Group is in the process of assessing the potential exposure to the Pillar Two income taxes for all of its subsidiaries that operate in relevant jurisdictions as the Group. The potential exposure, if any, to Pillar Two income taxes is currently not known or reasonably estimated. The Group expects to be in a position to report the potential exposure in the period of application.

Except for stated above, 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.

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

Line items in the consolidated statement of financial position impacted:

	At 30 June 2023 (Originally stated) US$'000	Increase/ (decrease) US$'000	At 30 June 2023 (Restated) US$'000	At 30 June 2022 (Originally stated) US$'000	Increase/ (decrease) US$'000	At 30 June 2022 (Restated) US$'000
ASSETS						
Interests in associates and joint ventures	1,838,536	22,314	1,860,850	1,792,395	18,497	1,810,892
NET ASSETS	9,869,116	22,314	9,891,430	9,602,021	18,497	9,620,518
CAPITAL AND RESERVES						
Retained profits	8,901,279	23,447	8,924,726	8,591,249	18,403	8,609,652
Capital and other reserves	(50,163)	48	(50,115)	(68,118)	94	(68,024)
Exchange translation reserve	(666,729)	(1,181)	(667,910)	(599,718)	–	(599,718)
Total equity attributable to equity shareholders of the Company	7,572,517	22,314	7,594,831	7,357,199	18,497	7,375,696
TOTAL EQUITY	9,869,116	22,314	9,891,430	9,602,021	18,497	9,620,518

NOTES TO THE FINANCIAL STATEMENTS

4. CHANGES IN ACCOUNTING POLICIES (cont'd)

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

	Year ended 30 June 2023 (Originally stated) US$'000	Increase/ (decrease) US$'000	Year ended 30 June 2023 (Restated) US$'000
Share of profits of associates and joint ventures	164,483	5,044	169,527
Profit for the year	467,969	5,044	473,013
Profit for the year attributable to:			
Equity shareholders of the Company	433,930	5,044	438,974
Exchange translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	(72,864)	(1,181)	(74,045)
Share of other comprehensive income of associates	14,748	(46)	14,702
Total comprehensive income for the year	344,514	3,817	348,331
Total comprehensive income for the year attributable to:			
Equity shareholders of the Company	306,423	3,817	310,240
	US$	US$	US$
Earnings per share			
Basic	1.33	0.02	1.35
Diluted	1.33	0.02	1.35

NOTES TO THE FINANCIAL STATEMENTS

5. 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:

	2024 US$'000	2023 US$'000
Revenue from sale of properties	**1,126,478**	956,579
Revenue from hospitality and leisure	**1,333,479**	1,170,673
Interest income	**77,184**	50,308
Dividend income	**103,245**	104,737
Rental income from properties	**164,343**	122,795
Revenue from sales of goods	**67,228**	74,936
Others	**12,729**	9,538
Revenue	**2,884,686**	2,489,566
Proceeds from sale of investments in securities	**417,464**	320,900
Turnover	**3,302,150**	2,810,466

Transaction price allocated to the remaining performance obligations

As at 30 June 2024, the amount allocated to the sale of development properties is US$1,245.5 million (2023: US$1,282.7 million). This will be recognised as revenue by reference to surveys of work performed, which is expected to complete over the next four years.

NOTES TO THE FINANCIAL STATEMENTS

6. OTHER REVENUE AND NET INCOME

(a) Other revenue

	2024 US$'000	2023 US$'000
Sublease income	**9,189**	12,189
Bass Strait oil and gas royalty	**25,045**	40,713
Hotel management fee	**971**	603
Income from forfeiture of deposit from sale of properties	**1,273**	711
Government grants	**–**	48
Hotel business interruption insurance claim	**–**	23,238
Others	**4,116**	1,526
	40,594	79,028

(b) Other net income

	2024 US$'000	2023 US$'000
Net realised and unrealised gain on trading financial assets	**127,982**	87,977
Net realised and unrealised loss on derivative financial instruments	**(8,949)**	(164)
Net gain on foreign exchange contracts	**3,289**	22,062
Other exchange gain	**11,225**	1,370
Net losses on disposal of property, plant and equipment	**(1,616)**	(1,064)
Net losses on disposal of intangible assets	**–**	(57)
Provision made during the year (note 33)	**(2,501)**	–
Loss on disposal of a subsidiary (note 37)	**(431)**	–
Loss on disposal of interest in a joint venture (note 18)	**(6,663)**	–
Gain on increase in interest in an associate (note 18)	**10,333**	–
Net gains on liquidation of subsidiaries	**–**	7,757
Others	**6,944**	6,821
	139,613	124,702

NOTES TO THE FINANCIAL STATEMENTS

7. PROFIT FOR THE YEAR BEFORE TAXATION

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

(a) Finance costs

	2024 US$'000	2023 US$'000
Interest on bank loans and other borrowings	**246,996**	198,476
Interest on lease liabilities	**50,392**	46,606
Other borrowing costs	**12,889**	9,146
Total borrowing costs	**310,277**	254,228
Less: borrowing costs capitalised into:		
– development properties	**(11,057)**	(27,193)
– investment properties	**(9,353)**	(29,772)
Total borrowing costs capitalised (note)	**(20,410)**	(56,965)
	289,867	197,263

Note:

These borrowing costs have been capitalised at rates of 3.88% to 5.08% per annum (2023: 1.90% to 5.63%).

(b) Staff cost

	2024 US$'000	2023 US$'000
Salaries, wages and other benefits	**453,893**	344,755
Contributions to defined contribution retirement plans	**14,852**	13,465
Expenses recognised in respect of defined benefit retirement plans	**146**	171
Equity-settled share-based payment expenses	**4,330**	1,014
	473,221	359,405

NOTES TO THE FINANCIAL STATEMENTS

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

(c) Other items

	2024 US$'000	2023 (Restated) US$'000
Depreciation		
– other property, plant and equipment	**59,826**	66,142
– right-of-use assets	**32,834**	36,461
Net impairment losses recognised		
– other property, plant and equipment (note a)	**3,304**	57,039
– intangible assets (note a)	**2,327**	33,464
– right-of-use assets (note a)	**3,986**	45,157
– goodwill (note b)	**–**	7,477
– interest in a joint venture (note c)	**–**	32,272
– interest in an associate (note d)	**2,976**	–
Amortisation		
– customer relationship, licences and brand names	**2,021**	5,010
– casino licences and brand names	**66**	122
– Bass Strait oil and gas royalty	**5,649**	5,770
– other intangible assets	**25,897**	25,087
Net write down and allowance for foreseeable losses of development properties and properties held for sale (note e)	**108,540**	35,891
Cost of inventories recognised in cost of sales	**28,129**	41,958
Cost of development properties and properties held for sale recognised in cost of sales	**920,659**	739,101
Expense relating to short-term leases and other leases with remaining lease term ending within one year	**317**	506
Auditors' remuneration		
– audit services	**4,091**	3,788
– tax services	**500**	129
– other services	**828**	70
Donations	**1,790**	828
Gross rental income from investment properties (note 5)	**(164,343)**	(122,795)
Less: direct outgoings	**42,341**	30,198
Net rental income	**(122,002)**	(92,597)
Share of profits of associates and joint ventures:		
– associates	**(173,081)**	(161,219)
– joint ventures	**(12,716)**	(8,308)
	(185,797)	(169,527)

NOTES TO THE FINANCIAL STATEMENTS

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

(c) Other items (cont'd)

Notes:

a. During the year ended 30 June 2024, the Group has conducted 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 the following three years and are most sensitive to revenue growth, the pre-tax discount rate of 13% to 14% (2023: 12% to 14%) and growth rates of 2% (2023: 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 US$13.0 million (2023: US$47.9 million), other property, plant and equipment of US$9.4 million (2023: US$62.2 million) and intangible assets of US$14.0 million (2023: US$33.5 million) due to lower than anticipated performance, a further reduction in forecast earnings and a decision to close a number of clubs and venues.

   On the other hand, on the same basis, the Group also recognised reversals of previously impaired right-of-use assets of US$9.0 million (2023: US$2.7 million), other property, plant and equipment of US$6.1 million (2023: US$5.2 million) and intangible assets of US$11.7 million (2023: Nil) during the year. The reversal in the current year was driven by better than anticipated performance and improved outlook in the identified venues.

b. 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% 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% was determined based on management's estimate of the long-term compound annual revenue growth rate which was consistent with the assumptions that a market participant would make.

   As a result of the assessment, an impairment loss on goodwill of US$7.5 million but no impairment loss on intangible assets of the CGU was recognised in the prior year.

   A similar impairment assessment on goodwill was performed at the end of the reporting period, management has not identified that a reasonably possible change in key assumptions could cause the carrying amount to exceed the recoverable amount.

c. During the year ended 30 June 2023, 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 the joint venture as a whole. Based on the assessment, the Group recognised an impairment loss of US$32.3 million during the prior year, reflecting the prevailing cautious outlook and market conditions in the United Kingdom, where the investment is located.

   During the year, the Group had disposed of its entire interest in such joint venture and therefore no impairment assessment is required as at 30 June 2024.

d. During the year ended 30 June 2024, the Group undertook an impairment assessment of its investment in an associate and estimated its recoverable amount, taking into consideration the fair value of the underlying properties held by the associate. Based on the assessment, the Group recognised an impairment loss of US$3.0 million (2023: Nil) as the recoverable amount of the investment is below its carrying value.

e. The Group recognised an allowance for foreseeable losses of US$108.5 million (2023: US$35.9 million) on development properties and properties held for sale, taking into consideration the selling prices of comparable properties, timing of sale launches, location of property, expected net selling prices and development expenditure.

NOTES TO THE FINANCIAL STATEMENTS

8. TAXATION

(a) Taxation in the consolidated income statement represents:

	2024 US$'000	2023 US$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	–	69
Under/(over)-provision in respect of prior years	**167**	(2)
	167	67
Current tax – Overseas		
Provision for the year	**31,511**	56,820
(Over)/under-provision in respect of prior years	**(2,850)**	1,082
Land appreciation tax	**1,671**	9,668
	30,332	67,570
Deferred tax		
Origination and reversal of temporary differences	**65,369**	(40,785)
Effect of changes in tax rate on deferred tax balances	–	(5,975)
Others	–	(36)
	65,369	(46,796)
	95,868	20,841

The provision for Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year ended 30 June 2024. 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.

NOTES TO THE FINANCIAL STATEMENTS

8. TAXATION (cont'd)

(b) Reconciliation between taxation and accounting profit at applicable tax rates:

	2024 US$'000	2023 (Restated) US$'000
Profit for the year before tax	**565,458**	493,854
Notional tax on profit before tax, calculated at the rates applicable to profits in the countries concerned	**114,486**	84,543
Tax effect of non-deductible expenses	**44,481**	25,167
Tax effect of non-taxable income	**(66,889)**	(90,630)
Tax effect of unused tax losses not recognised	**56**	259
Tax effect of utilisation of tax losses not previously recognised	**(3,222)**	(4,798)
Tax effect of unrecognised deductible temporary differences	**6,609**	564
Tax effect of changes in tax rate on deferred tax balances	**–**	(5,975)
Land appreciation tax	**1,671**	9,668
(Over)/under-provision in respect of prior years	**(2,683)**	1,080
Others	**1,359**	963
Taxation	**95,868**	20,841

(c) Tax effects relating to the components of other comprehensive income:

The net tax effects relating to the components of other comprehensive income were insignificant for disclosure purpose for the years ended 30 June 2024 and 2023.

(d) Taxation in the consolidated statement of financial position represents:

	2024 US$'000	2023 US$'000
Overseas taxation	**12,700**	20,113
Tax recoverable	**12,700**	20,113
Hong Kong Profits Tax	**–**	4
Overseas taxation	**11,502**	35,909
Tax payable	**11,502**	35,913

NOTES TO THE FINANCIAL STATEMENTS

9. DIRECTORS' EMOLUMENTS

Directors' emoluments comprise payments to Directors by the Company and its subsidiaries in connection with the management of the affairs of the Company and its subsidiaries. The amounts paid and payable to each Director of the Company are as below:

Name	Fees US$'000	Salaries, allowances and benefits in kind(1) US$'000	Discretionary bonuses US$'000	Pension contributions US$'000	Total emoluments US$'000
2024					
KWEK Leng Hai	–(2)	1,650	1,412	–	3,062
Christian K. NOTHHAFT	–(2)(3)	234	–	1	235
CHEW Seong Aun	–(2)(4)	586	496	22	1,104
KWEK Leng San*	–(2)	–	–	–	–
Paul J. BROUGH **	69	–	–	–	69
David M. NORMAN **	61	–	–	–	61
Lester G. HUANG, *SBS, JP* **	63	–	–	–	63
	193	2,470	1,908	23	4,594

Name	Fees US$'000	Salaries, allowances and benefits in kind(1) US$'000	Discretionary bonuses US$'000	Pension contributions US$'000	Total emoluments US$'000
2023					
KWEK Leng Hai	–(2)	1,587	704	–	2,291
CHEW Seong Aun	–(2)	623	277	24	924
KWEK Leng San*	–(2)	–	–	–	–
Paul J. BROUGH **	69	–	–	–	69
David M. NORMAN **	61	–	–	–	61
Lester G. HUANG, *SBS, JP* **	63	–	–	–	63
	193	2,210	981	24	3,408

Notes:

* Non-executive director

** Independent non-executive director

(1) Benefits in kind include insurance premium, club membership and motor vehicle expenses

(2) No directors' fees have been paid to any salaried directors employed by the Company or its related corporations

(3) Appointed as Executive Director on 15 April 2024

(4) Retired as Executive Director on 15 May 2024

NOTES TO THE FINANCIAL STATEMENTS

10. EMOLUMENTS OF THE FIVE HIGHEST PAID INDIVIDUALS

Among the five highest paid individuals of the Group, two (2023: two) are directors of the Company whose emoluments are disclosed in note 9. The emoluments of the other three (2023: three) individuals are as follows:

	2024 US$'000	2023 US$'000
Salaries, allowances and benefits in kind	**2,022**	1,899
Discretionary bonuses	**620**	612
Share-based payment expenses	**1,843**	–
Pension contributions	**45**	45
Compensation for loss of office	**–**	98
	4,530	2,654

The number of individuals whose emolument falls within the following bands are:

US$	2024 Number of individuals	2023 Number of individuals
500,001 – 550,000	**–**	1
700,001 – 750,000	**–**	1
800,001 – 850,000	**1**	–
900,001 – 950,000	**1**	–
1,350,001 – 1,400,000	**–**	1
2,750,001 – 2,800,000	**1**	–
	3	3

11. DIVIDENDS

	2024 US$'000	2023 US$'000
Dividends payable/paid in respect of the current year:		
– Interim dividend of HK$0.50 (2023: HK$0.50) per ordinary share	**20,783**	20,716
– Proposed final dividend of HK$2.70 (2023: HK$2.50) per ordinary share	**113,775**	104,981
	134,558	125,697
Dividends paid in respect of the prior year:		
– Final dividend of HK$2.50 (2023: HK$1.50) per ordinary share	**104,339**	62,217

The final dividend for the year ended 30 June 2024 of US$113,775,000 (2023: US$104,981,000) is calculated based on 329,051,373 ordinary shares (2023: 329,051,373 ordinary shares) in issue as at 30 June 2024.

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.

NOTES TO THE FINANCIAL STATEMENTS

12. 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 US$458,581,000 (2023: US$438,974,000 (restated)) and the weighted average number of 325,224,511 ordinary shares (2023: 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 2024 and 2023.

13. 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 and joint ventures
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 2024 or 2023.

The accounting policies of the operating segments are the same as those described in the significant accounting policies in note 2. Performance is evaluated on the basis of profit or loss from operations before taxation. Inter-segment pricing is determined on an arm's length basis. The Group's measurement methods used to determine reported segment profit or loss remain unchanged from the financial year 2022/23.

NOTES TO THE FINANCIAL STATEMENTS

13. 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, assets and liabilities

Segment revenue and profit or loss

	Principal investment US$'000	Property development and investment US$'000	Hospitality and leisure US$'000	Financial services US$'000	Others US$'000	Total US$'000
For the year ended 30 June 2024						
Turnover	**569,682**	**1,329,921**	**1,335,309**	**–**	**67,238**	**3,302,150**
Disaggregated by timing of revenue						
– Point in time	**152,218**	**532,032**	**1,335,309**	**–**	**67,238**	**2,086,797**
– Over time	**–**	**797,889**	**–**	**–**	**–**	**797,889**
Revenue from external customers	**152,218**	**1,329,921**	**1,335,309**	**–**	**67,238**	**2,884,686**
Inter-segment revenue	**11,593**	**1,889**	**–**	**–**	**–**	**13,482**
Reportable segment revenue	**163,811**	**1,331,810**	**1,335,309**	**–**	**67,238**	**2,898,168**
Reportable segment operating profit	**271,478**	**222,213**	**152,341**	**–**	**30,645**	**676,677**
Finance costs	**(36,524)**	**(180,196)**	**(76,352)**	**–**	**(7,111)**	**(300,183)**
Valuation surplus on investment properties	**–**	**3,167**	**–**	**–**	**–**	**3,167**
Share of profits of associates and joint ventures	**1,958**	**10,906**	**–**	**172,933**	**–**	**185,797**
Profit before taxation	**236,912**	**56,090**	**75,989**	**172,933**	**23,534**	**565,458**
For the year ended 30 June 2023						
Turnover	453,796	1,109,116	1,172,609	–	74,945	2,810,466
Disaggregated by timing of revenue						
– Point in time	132,896	334,124	1,172,609	–	74,945	1,714,574
– Over time	–	774,992	–	–	–	774,992
Revenue from external customers	132,896	1,109,116	1,172,609	–	74,945	2,489,566
Inter-segment revenue	8,805	1,882	–	–	–	10,687
Reportable segment revenue	141,701	1,110,998	1,172,609	–	74,945	2,500,253
Reportable segment operating profit/(loss)	218,591	189,276	(32,176)	–	48,637	424,328
Finance costs	(21,121)	(108,830)	(68,153)	–	(6,806)	(204,910)
Valuation surplus on investment properties	–	104,909	–	–	–	104,909
Share of profits of associates and joint ventures (restated)	782	6,482	–	162,263	–	169,527
Profit/(loss) before taxation	198,252	191,837	(100,329)	162,263	41,831	493,854

NOTES TO THE FINANCIAL STATEMENTS

13. SEGMENT REPORTING (cont'd)

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

Segment assets and liabilities

	Principal investment US$'000	Property development and investment US$'000	Hospitality and leisure US$'000	Financial services US$'000	Others US$'000	Total US$'000
At 30 June 2024						
Reportable segment assets	**3,093,988**	**8,426,898**	**3,427,873**	**–**	**208,538**	**15,157,297**
Interest in associates and joint ventures	**1,647**	**574,260**	**–**	**1,617,586**	**–**	**2,193,493**
Total assets	**3,095,635**	**9,001,158**	**3,427,873**	**1,617,586**	**208,538**	**17,350,790**
Reportable segment liabilities	**596,039**	**4,804,966**	**1,713,349**	**–**	**112,736**	**7,227,090**
At 30 June 2023						
Reportable segment assets	3,004,299	8,439,591	3,426,247	–	216,276	15,086,413
Interest in associates and joint ventures (restated)	1,147	379,772	–	1,479,931	–	1,860,850
Total assets	3,005,446	8,819,363	3,426,247	1,479,931	216,276	16,947,263
Reportable segment liabilities	592,608	4,574,072	1,766,887	–	122,266	7,055,833

Other information

	Principal investment US$'000	Property development and investment US$'000	Hospitality and leisure US$'000	Financial services US$'000	Others US$'000	Total US$'000
2024						
Interest income	**58,960**	**26,700**	**1,830**	**–**	**10**	**87,500**
Depreciation and amortisation	**4,923**	**8,180**	**103,839**	**–**	**9,351**	**126,293**
Additions to non-current segment assets	**296**	**237,410**	**114,763**	**–**	**2,228**	**354,697**
2023						
Interest income	35,500	20,510	1,936	–	9	57,955
Depreciation and amortisation	4,895	2,716	121,385	–	9,596	138,592
Additions to non-current segment assets	88	120,827	234,925	–	2,684	358,524

Major customers

During the years ended 30 June 2024 and 2023, there is no major customer accounting for more than 10% of the total revenue of the Group.

NOTES TO THE FINANCIAL STATEMENTS

13. SEGMENT REPORTING (cont'd)

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

Revenue

	2024 US$'000	2023 US$'000
Reportable segment revenue	**2,898,168**	2,500,253
Elimination of inter-segment revenue	**(13,482)**	(10,687)
Consolidated revenue (note 5)	**2,884,686**	2,489,566

Finance costs

	2024 US$'000	2023 US$'000
Reportable finance costs	**300,183**	204,910
Elimination of inter-segment finance costs	**(10,316)**	(7,647)
Consolidated finance costs (note 7(a))	**289,867**	197,263

Interest income

	2024 US$'000	2023 US$'000
Reportable interest income	**87,500**	57,955
Elimination of inter-segment interest income	**(10,316)**	(7,647)
Consolidated interest income (note 5)	**77,184**	50,308

NOTES TO THE FINANCIAL STATEMENTS

13. SEGMENT REPORTING (cont'd)

(c) Geographical information

The following table illustrates the geographical location of the Group's revenue from external customers and non-current assets other than financial instruments, deferred tax assets and pensions surplus ("specified non-current assets"). The geographical information is classified by reference to the location of the income generating entities.

	Revenue from external customers		Specified non-current assets	
	2024	**2023**	**2024**	**2023 (Restated)**
	US$'000	**US$'000**	**US$'000**	**US$'000**
The People's Republic of China				
– Hong Kong	**154,172**	135,620	**233,132**	263,570
– Mainland China	**128,183**	105,463	**427,753**	261,362
United Kingdom and Continental Europe	**1,305,798**	1,147,091	**2,841,800**	2,819,752
Singapore	**1,153,831**	948,318	**5,054,648**	4,689,496
Australasia and others	**142,702**	153,074	**2,004,583**	1,952,828
	2,884,686	2,489,566	**10,561,916**	9,987,008

NOTES TO THE FINANCIAL STATEMENTS

14. INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT

	Investment properties US$'000	Interests in leasehold land and buildings US$'000	Freehold land and buildings US$'000	Furniture, fixtures and equipment US$'000	Other property, plant and equipment US$'000	Total US$'000
Cost or valuation						
At 1 July 2022	4,421,488	1,113,427	526,559	987,791	2,627,777	7,049,265
Additions	117,000	38,630	1,484	58,624	98,738	215,738
Disposals and written off	–	(5,445)	(2,651)	(26,513)	(34,609)	(34,609)
Fair value adjustments	104,909	–	–	–	–	104,909
Exchange adjustments	75,163	32,648	10,388	29,111	72,147	147,310
At 30 June 2023	4,718,560	1,179,260	535,780	1,049,013	2,764,053	7,482,613
Representing:						
Cost	–	1,179,260	535,780	1,049,013	2,764,053	2,764,053
Valuation - 2023	4,718,560	–	–	–	–	4,718,560
	4,718,560	1,179,260	535,780	1,049,013	2,764,053	7,482,613
At 1 July 2023	**4,718,560**	**1,179,260**	**535,780**	**1,049,013**	**2,764,053**	**7,482,613**
Additions	**53,750**	**3,297**	**842**	**70,825**	**74,964**	**128,714**
Transfer from properties held for sale (note 23)	**179,745**	**–**	**2,957**	**–**	**2,957**	**182,702**
Disposals and written off	**–**	**(2,077)**	**(1,171)**	**(6,613)**	**(9,861)**	**(9,861)**
Disposal of a subsidiary (note 37)	**–**	**(123)**	**–**	**–**	**(123)**	**(123)**
Fair value adjustments	**3,167**	**–**	**–**	**–**	**–**	**3,167**
Exchange adjustments	**(2,745)**	**1,584**	**(403)**	**1,467**	**2,648**	**(97)**
At 30 June 2024	**4,952,477**	**1,181,941**	**538,005**	**1,114,692**	**2,834,638**	**7,787,115**
Representing:						
Cost	**–**	**1,181,941**	**538,005**	**1,114,692**	**2,834,638**	**2,834,638**
Valuation – 2024	**4,952,477**	**–**	**–**	**–**	**–**	**4,952,477**
	4,952,477	**1,181,941**	**538,005**	**1,114,692**	**2,834,638**	**7,787,115**

NOTES TO THE FINANCIAL STATEMENTS

14. INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Investment properties US$'000	Interests in leasehold land and buildings US$'000	Freehold land and buildings US$'000	Furniture, fixtures and equipment US$'000	Other property, plant and equipment US$'000	Total US$'000
Accumulated depreciation and impairment loss						
At 1 July 2022	–	237,106	80,457	799,932	1,117,495	1,117,495
Charge for the year	–	19,425	5,765	40,952	66,142	66,142
Written back on disposals and written off	–	(5,375)	(1,940)	(25,360)	(32,675)	(32,675)
Net impairment loss recognised	–	28,619	5,066	23,354	57,039	57,039
Exchange adjustments	–	8,686	1,963	28,675	39,324	39,324
At 30 June 2023	–	288,461	91,311	867,553	1,247,325	1,247,325
At 1 July 2023	**–**	**288,461**	**91,311**	**867,553**	**1,247,325**	**1,247,325**
Charge for the year	**–**	**19,143**	**5,780**	**34,903**	**59,826**	**59,826**
Written back on disposals and written off	**–**	**(1,911)**	**(418)**	**(5,858)**	**(8,187)**	**(8,187)**
Net impairment loss (reversed)/ recognised	**–**	**(1,196)**	**–**	**4,500**	**3,304**	**3,304**
Exchange adjustments	**–**	**388**	**(50)**	**1,199**	**1,537**	**1,537**
At 30 June 2024	**–**	**304,885**	**96,623**	**902,297**	**1,303,805**	**1,303,805**
Carrying amount						
At 30 June 2024	**4,952,477**	**877,056**	**441,382**	**212,395**	**1,530,833**	**6,483,310**
At 30 June 2023	4,718,560	890,799	444,469	181,460	1,516,728	6,235,288

NOTES TO THE FINANCIAL STATEMENTS

14. INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) The analysis of the carrying amount of properties is as follows:

	2024 US$'000	2023 US$'000
In Hong Kong:		
– Leasehold with between 10 and 50 years unexpired	**232,521**	263,183
– Leasehold with less than 10 years unexpired	**–**	1
Outside Hong Kong:		
– Freehold	**933,711**	925,956
– Leasehold with over 50 years unexpired	**4,649,394**	4,583,302
– Leasehold with between 10 and 50 years unexpired	**436,365**	265,575
– Leasehold with less than 10 years unexpired	**18,924**	15,811
	6,270,915	6,053,828

(b) Certain of the Group's properties with an aggregate carrying amount of US$4,699.1 million (2023: US$4,448.9 million) were pledged for bank loans.

(c) Investment properties comprise:

	2024 US$'000	2023 US$'000
Completed investment properties	**4,734,609**	2,925,796
Investment properties under development	**217,868**	1,792,764
	4,952,477	4,718,560

(d) The Group leases out investment properties under operating leases. The leases typically run for an initial period of 1 to 5 years.

(e) Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2024 US$'000	2023 US$'000
Within 1 year	**183,432**	166,570
Between 1 and 5 years	**472,821**	469,215
After 5 years	**293,059**	302,986
	949,312	938,771

14. INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT (cont'd)

(f) Fair value measurement of properties

(i) Fair value hierarchy

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

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3 valuations: Fair value measured using significant unobservable inputs.

	2024				2023			
	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Recurring fair value measurements								
Investment properties	–	120,966	4,831,511	4,952,477	–	147,183	4,571,377	4,718,560

During the year ended 30 June 2024, there was no transfer between level 2 and level 3 (2023: Nil).

All of the Group's investment properties were revalued as at 30 June 2024. The valuations were carried out by external independent property valuers, CHFT Advisory and Appraisal Limited, CBRE, Cheston International and Savills which have appropriate recognised professional qualifications and recent experience in the locations and categories of property being valued. The valuers have considered valuation techniques including the direct comparison method, income capitalisation method and residual land method in determining the open market values. The specific risks inherent in each of the properties are taken into consideration in arriving at the valuations. Management has discussions with the valuers on the valuation assumptions and valuation results when the valuation is performed at each annual reporting date.

NOTES TO THE FINANCIAL STATEMENTS

14. INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT (cont'd)

(f) Fair value measurement of properties (cont'd)

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair values of investment properties in Level 2 are determined using market comparison approach by reference to the recent sales price of comparable properties on a price per square feet basis using market data which is publicly available.

(iii) Information about Level 3 fair value measurements

Type of investment properties	Valuation method	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Commercial properties	– Direct comparison method	– Sales prices of US$2,218 to US$3,039 (2023: US$2,212 to US$2,367) per square feet ("psf")	The estimated fair value increases when the sales price increases
	– Income capitalisation method	– Capitalisation rate of 3.3% to 6.0% (2023: 3.3% to 6.0%)	The estimated fair value increases when the capitalisation rate decreases
Reversionary interest in freehold land and commercial properties	– Direct comparison method	– Sales prices of US$180 to US$733 (2023: US$167 to US$682) psf	The estimated fair value increases when the sales price and gross development value increase
	– Residual land method	– Gross development value of US$2,594 (2023: US$2,543) psf	
Commercial properties under development	– Residual land method	– Gross development value of US$2,491 to US$3,038 (2023: US$2,240 to US$2,876) psf	The estimated fair value increases when the gross development value increases

NOTES TO THE FINANCIAL STATEMENTS

14. INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT (cont'd)

(f) Fair value measurement of properties (cont'd)

(iii) Information about Level 3 fair value measurements (cont'd)

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

	2024 US$'000	2023 US$'000
Investment properties:		
At 1 July	**4,571,377**	4,265,119
Additions	**53,750**	117,000
Transfer from properties held for sale	**179,745**	–
Fair value adjustments	**29,858**	114,273
Exchange adjustments	**(3,219)**	74,985
At 30 June	**4,831,511**	4,571,377

Fair value adjustment of investment properties is recognised in the line item "Valuation surplus on investment properties" on the face of the consolidated income statement.

Exchange adjustment of investment properties is recognised in other comprehensive income in "Exchange translation reserve".

NOTES TO THE FINANCIAL STATEMENTS

15. RIGHT-OF-USE ASSETS

	Interests in leasehold land and buildings US$'000	Furniture, fixtures and equipment US$'000	Total US$'000
Cost or valuation			
At 1 July 2022	851,530	7,621	859,151
Additions	125,907	75	125,982
Disposals and written off	(1,826)	(641)	(2,467)
Lease modification	(326)	(28)	(354)
Exchange adjustments	36,737	56	36,793
At 30 June 2023	1,012,022	7,083	1,019,105
Representing:			
Cost	1,012,022	7,083	1,019,105
Valuation – 2023	–	–	–
	1,012,022	7,083	1,019,105
At 1 July 2023	**1,012,022**	**7,083**	**1,019,105**
Additions	**19,978**	**3,019**	**22,997**
Disposals and written off	**(8,102)**	**–**	**(8,102)**
Lease modification	**22,747**	**(563)**	**22,184**
Exchange adjustments	**1,649**	**(210)**	**1,439**
At 30 June 2024	**1,048,294**	**9,329**	**1,057,623**
Representing:			
Cost	**1,048,294**	**9,329**	**1,057,623**
Valuation – 2024	**–**	**–**	**–**
	1,048,294	**9,329**	**1,057,623**

NOTES TO THE FINANCIAL STATEMENTS

15. RIGHT-OF-USE ASSETS (cont'd)

	Interests in leasehold land and buildings US$'000	Furniture, fixtures and equipment US$'000	Total US$'000
Accumulated depreciation and impairment loss			
At 1 July 2022	202,435	6,221	208,656
Charge for the year	35,243	1,218	36,461
Written back on disposals and written off	(1,826)	(641)	(2,467)
Net impairment loss recognised	45,157	–	45,157
Lease modification	(326)	(24)	(350)
Exchange adjustments	11,282	108	11,390
At 30 June 2023	291,965	6,882	298,847
At 1 July 2023	**291,965**	**6,882**	**298,847**
Charge for the year	**31,917**	**917**	**32,834**
Written back on disposals and written off	**(7,449)**	**–**	**(7,449)**
Net impairment loss recognised	**3,986**	**–**	**3,986**
Lease modification	**(15)**	**(728)**	**(743)**
Exchange adjustments	**434**	**50**	**484**
At 30 June 2024	**320,838**	**7,121**	**327,959**
Carrying amount			
At 30 June 2024	**727,456**	**2,208**	**729,664**
At 30 June 2023	720,057	201	720,258

The analysis of the carrying amount of right-of-use assets by class of underlying asset is as follows:

	2024 US$'000	2023 US$'000
Ownership interests in leasehold land and buildings held for own use, carried at net book value outside Hong Kong, with remaining unexpired lease term		
– 50 years or more	**554,104**	538,772
– between 10 and 50 years	**99,080**	106,602
– less than 10 years	**74,272**	74,683
	727,456	720,057
Furniture, fixtures and equipment held for own use, carried at depreciated cost	**2,208**	201
	729,664	720,258

NOTES TO THE FINANCIAL STATEMENTS

16. INTANGIBLE ASSETS

	Casino licences and brand names US$'000	Bass Strait oil and gas royalty US$'000	Customer relationship, licences and brand names US$'000	Others US$'000	Total US$'000
Cost					
At 1 July 2022	822,830	130,338	75,446	171,868	1,200,482
Additions	–	–	488	16,316	16,804
Disposals	–	–	(3,610)	(898)	(4,508)
Exchange adjustments	31,995	(5,090)	85	11,466	38,456
At 30 June 2023	854,825	125,248	72,409	198,752	1,251,234
At 1 July 2023	**854,825**	**125,248**	**72,409**	**198,752**	**1,251,234**
Additions	**–**	**–**	**619**	**19,665**	**20,284**
Transfer to asset held for sale (note 30)	**–**	**–**	**(428)**	**–**	**(428)**
Disposals	**–**	**–**	**(1,330)**	**(53)**	**(1,383)**
Disposal of a subsidiary (note 37)	**(91)**	**–**	**–**	**–**	**(91)**
Exchange adjustments	**974**	**454**	**(448)**	**249**	**1,229**
At 30 June 2024	**855,708**	**125,702**	**70,822**	**218,613**	**1,270,845**
Accumulated amortisation and impairment loss					
At 1 July 2022	71,887	77,057	50,421	111,952	311,317
Charge for the year	122	5,770	5,010	25,087	35,989
Net impairment loss recognised	33,464	–	–	–	33,464
Written back on disposals	–	–	(3,610)	(841)	(4,451)
Exchange adjustments	4,095	(3,090)	493	7,742	9,240
At 30 June 2023	109,568	79,737	52,314	143,940	385,559
At 1 July 2023	**109,568**	**79,737**	**52,314**	**143,940**	**385,559**
Charge for the year	**66**	**5,649**	**2,021**	**25,897**	**33,633**
Net impairment loss recognised	**2,327**	**–**	**–**	**–**	**2,327**
Written back on disposals	**–**	**–**	**(1,330)**	**(53)**	**(1,383)**
Exchange adjustments	**(70)**	**350**	**(83)**	**292**	**489**
At 30 June 2024	**111,891**	**85,736**	**52,922**	**170,076**	**420,625**
Carrying amount					
At 30 June 2024	**743,817**	**39,966**	**17,900**	**48,537**	**850,220**
At 30 June 2023	745,257	45,511	20,095	54,812	865,675

16. INTANGIBLE ASSETS (cont'd)

The Bass Strait oil and gas royalty represents the Group's interest in the Bass Strait's oil and gas production in Australia held by GL Limited ("GL"). It is stated at cost less accumulated amortisation and impairment losses. The cost is amortised on a straight-line basis so that the amortisation charge for the year is included in administrative and other operating expenses in the consolidated income statement so as to write off the cost over its estimated useful life to 2031.

During the year ended 30 June 2023, management has changed the estimate of remaining useful life of the Bass Strait oil and gas royalty from production until 2040 to 2031. Such change in estimated results in an additional expense of US$2.67 million every year.

The Group capitalises acquired casino and other gaming licences and concessions. Management believes that licences have indefinite lives as there is no foreseeable limit to the period over which the licences are expected to generate net cash inflows and each licence holds a value outside the property in which it resides. Each licence is reviewed annually for impairment.

The customer relationship, licences and brand name represents the Group's interest in the manufacture, marketing and distribution of health products. The customer relationship and licences are amortised on a straight-line basis over their estimated useful lives (4 to 20 years). Acquired brand names are recorded at fair value on acquisition. Where the brand names have a substantial and long term sustainable value and continued investment is made in the brand, the brand is deemed to have an indefinite life and is therefore not amortised. Brand names are reviewed annually for impairment or whenever events or changes in circumstances indicate the carrying value of the brand names may be impaired.

Included in other intangible assets are acquired computer software licences, costs that are directly associated with the production and development of identifiable and unique software products controlled by the Group, and computer software development costs which are amortised over their estimated useful lives (3 to 5 years).

The recoverable amounts of the intangible assets are estimated based on value-in-use models. These calculations use cash flow projections based on financial budgets approved by management covering a 3 to 5-year period. Subsequent to the cash flow projections period, the growth rates used to extrapolate the cash flow projections are stated below. The growth rate does not exceed the long term average growth rate for the relevant businesses.

The key assumptions used for value-in-use calculations are as follows:

	Casino licences and brand names of The Rank Group Plc ("Rank")		Bass Strait oil and gas royalty of GL		Customer relationship, licences and brand name	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Long term growth rate	**0%-2%**	0%-2%	**2%**	2%	**2%**	2%
Discount rate	**11%-14%**	12%-14%	**10%**	10%	**15%**	15%

For casino licences and brand names of Rank, the assumptions in the calculation of value in use are reopening of venues post COVID-19 lockdown, customer visits, win margins, spend per visit, casino duty, machine games duty, bingo duty adjusted for expected socioeconomic regulatory or tax changes and planned business initiatives and the discount rate. For Bass Strait oil and gas royalty, the assumptions in the calculation of value in use are oil and gas production, oil and gas price, exchange rate and general inflation. For customer relationship, licences and brand name, the assumptions in the calculation of value in use are honey production, honey price, exchange rate and general inflation. The long term growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

NOTES TO THE FINANCIAL STATEMENTS

17. INTEREST IN SUBSIDIARIES

(a) Details of the principal subsidiaries incorporated and operating in Hong Kong are as follows:

Name of Company	Issued and paid up share capital (note (ix))	Percentage held by the Company	Group	Principal activities
Asia Fountain Investment Company Limited	2 shares (HK$20)	–	100	Investment trading
BIL (Far East Holdings) Limited	635,855,324 shares (HK$1,941,730,353)	–	100	Investment holding
GLL EWI (HK) Limited	10 shares (HK$10) 233,388,714 redeemable preference shares (S$233,388,714)	–	67	Investment holding
GuocoEquity Assets Limited	23,000,000 shares (HK$23,000,000) 244,700,000 redeemable preference shares (HK$244,700,000)	100	100	Investment holding
GuoSon Assets China Limited	1 share (HK$1)	–	67	Investment holding
GuoSon Changfeng China Limited	1 share (HK$1)	–	67	Investment holding
Guoco Management Company Limited	2,000,000,000 shares (HK$2,000,000,000) 4,810,030,153 redeemable preference shares (HK$4,810,030,153)	100	100	Provision of general management services
Guoco Investments (China) Limited	1 share (HK$1)	100	100	Investment holding

(b) Details of the principal subsidiaries incorporated and operating in Singapore are as follows:

Name of Company	Issued and paid up share capital (note (ix))	Percentage held by the Company	Group	Principal activities
Guoco Midtown Pte. Ltd.	817,000,000 shares (S$817,000,000)	–	77	Holding properties for rental
Guoco Midtown II Pte. Ltd.	5,000,000 shares (S$5,000,000)	–	40	Holding properties for rental
GLL Chongqing 18 Steps Pte. Ltd.	446,600,267 shares (S$446,600,267)	–	50	Investment holding
GLL IHT Pte. Ltd.	10,000,000 shares (S$10,083,000)	–	67	Financial and treasury services
GLL Land Pte. Ltd.	70,000,000 shares (S$70,000,000)	–	67	Holding properties for rental
GLL (Malaysia) Pte. Ltd.	130,147,962 shares (S$130,147,962)	–	67	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

17. INTEREST IN SUBSIDIARIES (cont'd)

(b) Details of the principal subsidiaries incorporated and operating in Singapore are as follows: (cont'd)

Name of Company	Issued and paid up share capital (note (ix))	Percentage held by the Company	Percentage held by the Group	Principal activities
GuocoLand Limited ("GuocoLand")	1,183,373,276 shares (S$1,926,053,000)	–	67	Investment holding
GuocoLand Assets Pte. Ltd.	617,000,000 shares (S$617,000,000)	100	100	Investment holding
GuocoLand Hotels Pte. Ltd.	168,710,000 shares (S$168,710,000)	–	67	Investment holding and owning hotels assets
GuocoLand Management Pte. Ltd.	500,000 shares (S$500,000)	–	67	Management services
GuocoLand Property Management Pte. Ltd.	20,000,000 shares (S$20,000,000)	–	67	Property management, marketing and maintenance services
GuocoLand Property Maintenance Services Pte. Ltd.	1 share (S$1)	–	67	Property management and maintenance services
GuocoLand (Singapore) Pte. Ltd.	195,000,000 shares (S$195,000,000)	–	67	Investment holding
Lentor Central Pte. Ltd.	31,000,000 shares (S$31,000,000)	–	67	Holding properties for rental
Lentor Mansion Pte. Ltd. (previously known as "Lentor Gardens Pte. Ltd.")	45,000,000 shares (S$45,000,000)	–	40	Property developer
Lentor Modern Pte. Ltd.	96,000,000 shares (S$96,000,000)	–	67	Property developer
Martin Modern Pte. Ltd.	1,000,000 shares (S$1,000,000)	–	67	Property developer
Meyer Mansion Pte. Ltd.	157,640,000 shares (S$157,640,000)	–	67	Property developer
Midtown Bay Pte. Ltd.	32,000,000 shares (S$32,000,000)	–	77	Property developer
Midtown Modern Pte. Ltd.	115,300,000 shares (S$115,300,000)	–	40	Property developer
TPC Commercial Pte. Ltd.	487,000,000 shares (S$487,000,000)	–	53	Holding properties for rental
TPC Hotel Pte. Ltd.	88,000,000 shares (S$88,000,000)	–	53	Holding & operating hotel & hotel related activities
Wallich Residence Pte. Ltd.	30,000,000 shares (S$30,000,000)	–	53	Property developer

NOTES TO THE FINANCIAL STATEMENTS

17. INTEREST IN SUBSIDIARIES (cont'd)

(c) Details of the principal subsidiaries incorporated and operating in Malaysia are as follows:

Name of Company	Issued and paid up share capital (note (ix))	Percentage held by the Company	Group	Principal activities
Damansara City Sdn Bhd	20,100,000 shares (RM20,100,000)	–	43	Property development and property investment
DC Hotel Sdn Bhd	237,692,002 shares (RM237,692,002)	–	43	Hotel operations
DC Parking Sdn Bhd	3,700,002 shares (RM3,700,002)	–	43	Car park operations and property investment
DC Town Square Sdn Bhd	83,386,267 shares (RM83,386,267)	–	43	Property investment
GLM Emerald Hills (Cheras) Sdn Bhd	10,000,000 shares (RM10,000,000)	–	43	Property development
GLM Emerald Industrial Park (Jasin) Sdn Bhd	50,600,000 shares (RM50,600,000)	–	30	Property development and operation of an oil palm estate
GLM Emerald Square (Cheras) Sdn Bhd	96,074,300 shares (RM96,074,300)	–	43	Property development
GLM Oval Sdn Bhd	11,747,100 shares (RM11,747,100)	–	43	Property investment
GLM Property Services Sdn Bhd	6,723,172 shares (RM6,723,172)	–	43	Provision of property management services
GLM IHM Sdn Bhd	7,000,000 shares (RM7,000,000)	–	43	Provision of management services
GLM REIT Management Sdn Bhd	1,500,000 shares (RM1,500,100)	–	43	Provision of management services
GuocoLand (Malaysia) Berhad	700,458,518 shares (RM385,318,195)	–	43	Investment holding
JB Parade Sdn Bhd	40,000,000 shares (RM40,000,000)	–	67	Investment holding and hotel operations
PD Resort Sdn Bhd	106,242,000 shares (RM106,242,000)	–	67	Property investment and development, hotel operations and provision of consultancy and training services
Titan Debut Sdn Bhd	3,000,000 shares (RM3,000,000)	–	43	Acquisition, enhancement and resale of properties

NOTES TO THE FINANCIAL STATEMENTS

17. INTEREST IN SUBSIDIARIES (cont'd)

(d) Details of the principal subsidiaries incorporated and operating in the United Kingdom are as follows:

Name of Company	Issued and paid up share capital (note (ix))	Percentage held by the Company	Group	Principal activities
8Ball Games Limited	100 shares of GBP0.01 each	–	56	Marketing services
Barbican Hotel (London) Limited	326,746 shares of GBP1 each	–	100	Operation of a hotel in UK
Bloomsbury Hotel (London) Limited	4 shares of GBP1 each	–	100	Operation of a hotel in UK
Clermont Hotel Holdings Limited	2 shares of GBP1 each	–	100	Investment holding
Clermont Hotel Group Limited	310,545,212 shares of GBP0.26 each	–	100	Ownership and operation of hotels in UK
Clermont Hotel HR Limited	1,260,000 shares of GBP0.25 each	–	100	Provision of staff to the group
Grosvenor Casinos Limited	39,000,000 shares of GBP1 each	–	56	Casinos
Grosvenor Casinos (GC) Limited	10,000 shares of GBP0.01 each	–	56	Casinos
GLH IP Holdings Limited	3 shares of GBP1 each	–	100	Holding company and licensing of hotel brand intellectual property in UK
Heathrow Hotel (London) Limited	6,226,849 shares of GBP1 each	–	100	Operation of a hotel in UK
Hyde Park Hotel (London) Limited	716,713 shares of GBP1 each	–	100	Operation of a hotel in UK
Kensington Gardens Hotel (London) Limited	10,066,000 shares of GBP1 each	–	100	Operation of a hotel in UK
Linkco Limited	1 share of GBP1 each	–	56	Processing of credit transfers
Marble Arch Hotel (London) Limited	11,310,412 shares of GBP1 each	–	100	Operation of a hotel in UK
Mecca Bingo Limited	950,000 shares of GBP1 each and 50,000 "A" shares of GBP1 each	–	56	Social and bingo clubs
Piccadilly Hotel (London) Limited	3,519,227 shares of GBP1 each	–	100	Operation of a hotel in UK
Rank Casino Holdings Limited	100 shares of GBP1 each	–	56	Intermediary holding company
Rank Digital Limited	100,000 "A" shares of GBP0.01 each and 500,000 "B" shares of GBP0.01 each	–	56	Support services to interactive gaming
Rank Digital Holdings Limited	3,431,001 shares of GBP1 each	–	56	Intermediary holding company
Rank Group Finance Plc	200,000,000 shares of GBP1 each	–	56	Funding operations
Rank Group Gaming Division Limited	944,469 shares of GBP1 each and 55,531 "A" shares of GBP1 each	–	56	Intermediary holding and provision of property services

NOTES TO THE FINANCIAL STATEMENTS

17. INTEREST IN SUBSIDIARIES (cont'd)

(d) Details of the principal subsidiaries incorporated and operating in the United Kingdom are as follows: (cont'd)

Name of Company	Issued and paid up share capital (note (ix))	Percentage held by the Company	Group	Principal activities
Rank Interactive Limited	500 "A" shares of GBP1 each and 500 "B" shares of GBP1 each	–	56	Marketing services
Rank Leisure Limited	1 share of GBP1 each	–	56	Adult gaming centres in Mecca Bingo and Grosvenor Casinos
Rank Leisure Holdings Limited	1,000,000 shares of GBP1 each and 1,799 preferred shares of US$1 each	–	56	Intermediary holding and corporate activities
Rank Nemo (Twenty-Five) Limited	1 share of GBP1 each	–	56	Intermediary holding company
Rank Overseas Holdings Limited	1,000,000 shares of GBP1 each	–	56	Intermediary holding company
Spacebar Media Limited	3,334 shares of GBP0.001 each	–	56	Development and maintenance of online gaming software
Stride Together Limited	1 share of GBP1 each	–	56	Support services to interactive gaming
The Charing Cross Hotel Limited	12,941,059 shares of GBP1 each	–	100	Operation of a hotel in UK
The Cumberland Hotel (London) Limited	42,932,769 shares of GBP0.1 each	–	100	Operation of a hotel in UK
The Grosvenor Hotel Victoria Limited	36,712,597 shares of GBP1 each	–	100	Operation of a hotel in UK
The Royal Horseguards Hotel Limited	12,468,296 shares of GBP1 each	–	100	Operation of a hotel in UK
The Strathmore Hotel (Luton) Limited	5 shares of GBP1 each	–	100	Operation of a hotel in UK
The Tower Hotel (London) Limited	55,745,451 shares of GBP1 each	–	100	Operation of a hotel in UK
The Wiltshire Hotel (Swindon) Limited	50,003 shares of GBP1 each	–	100	Operation of a hotel in UK
Trafalgar Hotel (London) Limited	2,329,593 shares of GBP1 each	–	100	Operation of a hotel in UK
The Gaming Group Limited	1 share of GBP1 each	–	56	Casinos
The Rank Group Plc	468,429,541 shares of GBp13 8/9 each	–	56	Investment holding of gaming business
Think Beyond Media Limited	1 share of GBP1 each	–	56	Marketing services
Upperline Marketing Limited	100 shares of GBP1 each	–	56	Support services to interactive gaming

NOTES TO THE FINANCIAL STATEMENTS

17. INTEREST IN SUBSIDIARIES (cont'd)

(e) Details of the principal subsidiaries incorporated and operating in other countries are as follows:

Name of Company	Country of incorporation and operation	Issued and paid up share capital (note (ix))	Percentage held by the Company	Percentage held by the Group	Principal activities
Asia Fountain Assets Limited	Cayman Islands	50,000 shares of US$1 each	–	100	Investment in securities
Asian Financial Common Wealth (PTC) Limited (note (iii))	British Virgin Islands	1 share of US$1 each	–	100	Provision of trustee service
BIL Australia Pty Limited	Australia	407,174,860 shares (A$1)	–	100	Investment holding
BIL NZ Treasury Limited	New Zealand	200,100 shares (NZ$200,100,000)	–	100	Investment holding
Chongqing Yuzhong Xin Hao Jun Real Estate Development Co., Ltd. (notes (i) & (vii))	The People's Republic of China	RMB3,762,123,420.57 (note (ii))	–	50	Property development
Chongqing Xin Hao Ren Real Estate Development Co. Ltd. (notes (i) & (vii))	The People's Republic of China	RMB1,302,880,000 (note (ii))	–	50	Property development
Clermont Group (Cayman) Limited (note (v))	Cayman Islands	1 share of US$1 each and 30,909 redeemable preference shares of US$1 each	–	100	Investment holding
Clermont Hotel Management Limited (note (v))	Scotland	150,003 shares of GBP1 each	–	100	Management of hotels in UK
Conticin S.L.	Spain	600 shares of EUR60 each	–	56	Operator of parking for social and bingo clubs
Fresco Resources Limited (note (iii))	British Virgin Islands	1 share of US$1 each	100	100	Financing activities
GGL Assets (NZ) Limited	New Zealand	183,000,100 shares (NZ$183,000,100) 25,000,000 redeemable preference shares (NZ$25,000,000)	100	100	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

17. INTEREST IN SUBSIDIARIES (cont'd)

(e) Details of the principal subsidiaries incorporated and operating in other countries are as follows: (cont'd)

Name of Company	Country of incorporation and operation	Issued and paid up share capital (note (ix))	Percentage held by the Company	Percentage held by the Group	Principal activities
GL Limited (note (iii))	Bermuda	5 shares of US$0.2 each	100	100	Investment holding
Gotfor S.A.	Spain	10,000 shares of EUR6.01 each	–	56	Social and Bingo clubs
GuocoLand (China) Limited	Bermuda	20,000,000 shares of US$1 each	–	67	Investment holding
GuoSon Investment Company Limited (notes (i) & (vi))	The People's Republic of China	US$265,000,000 (note (ii))	–	67	Investment holding
Hillcrest Hives Limited (note (x))	New Zealand	1,000 shares (NZ$10,304,855)	–	100	Apiculture
Ma Sing Investments Limited (note (iv))	British Virgin Islands	1 share of US$1 each	–	100	Investment holding
Manuka Health Australia Pty Limited	Australia	1 share of A$1 each	–	100	Limited risk distributor
Manuka Health New Zealand Limited (note (x))	New Zealand	28,721,250 shares (NZ$33,619,000) 25,000,000 redeemable preference shares (NZ$25,000,000)	–	100	Apiculture, manufacture, sale and distribution of New Zealand natural healthcare products

NOTES TO THE FINANCIAL STATEMENTS

17. INTEREST IN SUBSIDIARIES (cont'd)

(e) Details of the principal subsidiaries incorporated and operating in other countries are as follows: (cont'd)

Name of Company	Country of incorporation and operation	Issued and paid up share capital (note (ix))	Percentage held by the Company	Percentage held by the Group	Principal activities
Molokai Properties Limited	United States of America	100 shares of US$2 each	–	100	Investment holding
Neuseelandhaus GmbH	Germany	1 share of EUR25,000 each	–	100	Sale and distribution of New Zealand natural healthcare products
Manuka Health Trading (Shanghai) Limited (notes (i) & (vi))	The People's Republic of China	RMB8,500,000	–	100	Marketing services
Oceanease Limited	Cayman Islands	1 share of US$1 each and 16,870 redeemable preference shares (US$33,740,000)	–	100	Investment holding
Qinnacle View Limited (note (iii))	Cayman Islands	1 share of US$1 each	100	100	Property investment
QSB Gaming Limited	Alderney	4,234 shares of GBP1 each	–	56	Intermediary holding company
Rank Assets Limited	Cayman Islands	1 share of US$1 each and 380,295,000 redeemable preference shares of US$1 each	100	100	Investment holding
Rank Cataluña S.A.	Spain	3,000 shares of EUR60 each	–	56	Social and bingo clubs
Rank Centro S.A.	Spain	10,000 shares of EUR6.02 each	–	56	Social and bingo clubs
Rank Digital Ceuta S.A.	Spain	60,000 shares of EUR1 each	–	56	Interactive Gaming

NOTES TO THE FINANCIAL STATEMENTS

17. INTEREST IN SUBSIDIARIES (cont'd)

(e) Details of the principal subsidiaries incorporated and operating in other countries are as follows: (cont'd)

Name of Company	Country of incorporation and operation	Issued and paid up share capital (note (ix))	Percentage held by the Company	Percentage held by the Group	Principal activities
Rank Digital Services (Gibraltar) Limited	Gibraltar	1,000 shares of GBP1 each	–	56	Marketing services
Rank Holding España SA	Spain	150,000 shares of EUR26.02 each	–	56	Intermediary holding company
Rank Interactive (Gibraltar) Limited	Gibraltar	1,800 shares of GBP1 each	–	56	Interactive gaming
Rank Interactive Services (Mauritius) Limited	Mauritius	1 share of MUR30 each	–	56	Shared services support
Rank Stadium Andalucia, S.L.	Spain	3,000 shares of EUR1 each	–	56	Arcade and sports betting
Shanghai Xinhaolong Property Development Co., Ltd (notes (i) & (vi))	The People's Republic of China	US$126,000,000 (note (ii))	–	67	Property development
ShiftTech (PTY) Ltd.	South Africa	100 shares of no par value	–	56	Development and maintenance of online gaming software
Shanghai Xinhaolong Property Management Co., Ltd (note (i) & (vi))	The People's Republic of China	RMB3,000,000 (note (ii))	–	67	Property management
Stride Gaming Limited	Jersey	76,826,413 shares of GBP0.01 each	–	56	Intermediary holding company
Stride Investments	Mauritius	100 shares of GBP50 each	–	56	Intermediary holding company

17. INTEREST IN SUBSIDIARIES (cont'd)

(e) Details of the principal subsidiaries incorporated and operating in other countries are as follows: (cont'd)

Name of Company	Country of incorporation and operation	Issued and paid up share capital (note (ix))	Percentage held by the Company	Percentage held by the Group	Principal activities
Supreme Goal Investments Limited (note (iii))	British Virgin Islands	1 share of US$1 each	100	100	Property investment
Top Rank Andalucia SA	Spain	263,932 shares of EUR6 each	–	56	Social and bingo clubs
Verdiales S.L.	Spain	5,000 shares of EUR60.1 each	–	56	Social and bingo clubs
Passion Gaming Private Limited (note (viii))	India	960,000 shares of INR10 each	–	27	Online operator of digital card games

Notes:

(i) These companies have a financial year end of 31 December.

(ii) These comprise capital contribution to the companies. These companies have a defined period of existence.

(iii) These companies are operating in Hong Kong.

(iv) This company is operating in Australia.

(v) These companies are operating in the United Kingdom.

(vi) These companies are foreign investment enterprises.

(vii) These companies are sino-foreign equity joint venture enterprises.

(viii) This company was disposed during the financial year.

(ix) The share(s) is/are issued and paid up ordinary share capital unless otherwise specified.

(x) These companies were amalgamated to become Manuka Health New Zealand Limited during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

17. INTEREST IN SUBSIDIARIES (cont'd)

(f) Material non-controlling interests

The following table lists out the information relating to each subsidiary of the Group which has material non-controlling interests ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

	GuocoLand		Rank		Immaterial		Total	
	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
NCI percentage at the end of the reporting period	33%	33%	44%	47%				
Non-current assets	5,741,192	5,289,801	1,272,638	1,263,152				
Current assets	3,354,313	3,561,124	121,471	133,882				
Non-current liabilities	(2,747,761)	(3,496,571)	(240,319)	(206,217)				
Current liabilities	(2,224,416)	(1,249,450)	(259,096)	(309,110)				
Net assets	4,123,328	4,104,904	894,694	881,707				
Carrying amount of NCI	1,888,436	1,899,956	380,545	399,143	(2,504)	(2,500)	2,266,477	2,296,599
Revenue	1,377,931	1,154,336	926,706	824,688				
Profit/(loss) for the year	70,492	197,224	15,350	(117,841)				
Total comprehensive income	80,904	79,581	15,199	(118,549)				
Profit/(loss) allocated to NCI	6,578	88,846	4,431	(54,807)	–	–	11,009	34,039
Dividend paid to NCI	20,724	17,999	–	–	–	–	20,724	17,999
Net cash generated from/(used in):								
– operating activities	350,086	480,428	140,246	81,558				
– investing activities	(192,899)	(80,491)	(59,822)	(53,849)				
– financing activities	(86,656)	(506,072)	(75,496)	(72,586)				
Net increase/(decrease) in cash and cash equivalents	70,531	(106,135)	4,928	(44,877)				

NOTES TO THE FINANCIAL STATEMENTS

18. INTEREST IN ASSOCIATES AND JOINT VENTURES

	2024 US$'000	2023 (Restated) US$'000
Share of net assets of associates	**1,679,134**	1,524,801
Goodwill	**14,170**	14,215
Amounts due from associates	**2**	87
	1,693,306	1,539,103
Less: Impairment loss	**(15,068)**	(12,092)
Interest in associates	**1,678,238**	1,527,011
Share of net assets of joint ventures	**91,779**	163,283
Goodwill	**–**	39,374
Amounts due from joint ventures	**423,476**	198,247
	515,255	400,904
Less: Impairment loss	**–**	(67,065)
Interest in joint ventures	**515,255**	333,839
	2,193,493	1,860,850

The market values of the listed investments in associates at 30 June 2024 was US$1,070.1 million (2023: US$1,107.9 million).

During the year ended 30 June 2024, the Group has subscribed the rights issue of Tower Real Estate Investment Trust ("Tower REIT") for a total consideration of US$6.8 million. Pursuant to the rights issue, the Group recognised a gain of US$10.3 million (note 6(b)), representing the excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment.

Tower REIT is listed on the Bursa Malaysia Securities Berhad ("Bursa Malaysia"). Based on its closing price per unit of RM0.33 (2023: RM0.42) (Level 1 in the fair value hierarchy) at the reporting date, the value of the Group's investment in Tower REIT was US$11.3 million (2023: US$5.4 million). The Group undertook an impairment assessment of its investment in Tower REIT and estimated its recoverable amount, taking into consideration the fair value of the underlying properties held by Tower REIT. Based on the assessment, the Group recognised an impairment loss of US$3.0 million (2023: Nil) (note 7(c)) as the recoverable amount of the investment is below its carrying value.

None of the Group's joint ventures are publicly listed entities except for EcoWorld International Berhad ("EWI"), which is listed on the Bursa Malaysia. During the year ended 30 June 2024, the Group had disposed of its entire interest in EWI to a third party for a cash consideration of US$44.8 million and recognised a loss on disposal of US$6.7 million in other net income (note 6(b)). At the point of disposal, the Group's carrying amount of investment in EWI was US$35.8 million and translation differences reclassified to profit or loss upon disposal was US$15.7 million. During the year ended 30 June 2023, the Group undertook an impairment assessment of its investment in EWI and estimated its recoverable amount, taking into consideration the control premium to the fair value of the investment in EWI as a whole (Level 3 in the fair value hierarchy). Based on the assessment, the Group recognised an impairment loss of US$32.3 million during the prior year, reflecting the prevailing cautious outlook and market conditions in the United Kingdom, where the investment is located.

NOTES TO THE FINANCIAL STATEMENTS

18. INTEREST IN ASSOCIATES AND JOINT VENTURES (cont'd)

The details of significant associates and joint ventures are as follows:

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Effective percentage held by the Group	Principal activities
Associates				
Hong Leong Financial Group Berhad ("HLFG")	Malaysia	1,147,516,890 shares (RM2,267,008,045)	25	Financial services (Note 1)
Tower Real Estate Investment Trust	Malaysia	280,500,000 units (RM285,344,766)	15	Investment in real estate and real-estate related assets (Note 2)
GLM Emerald (Sepang) Sdn Bhd ("GLM Emerald")	Malaysia	140,000,000 shares (RM143,204,542)	21	Property development and operation of an oil palm estate
Joint ventures				
EcoWorld International Berhad ("EWI") (Note 3)	Malaysia	2,400,001,780 shares (RM592,453,931)	18	Investment holding (Note 4)
Carmel Development Pte. Ltd. ("Carmel")	Singapore	4,000,000 shares (S$4,000,000)	27	Property developer
Lentor Hills Development Pte. Ltd. ("Lentor Hills")	Singapore	4,000,000 shares (S$4,000,000)	20	Property developer
Springleaf Parcel B Pte. Ltd. ("Springleaf")	Singapore	75,000,000 shares (S$75,000,000)	40	Property developer

Note 1: HLFG is an integrated financial services group and is listed on Bursa Malaysia Securities Berhad ("Bursa Malaysia"). Its businesses cover commercial banking, Islamic banking services, insurance and takaful business, investment banking, futures and stockbroking and asset management business.

Note 2: Tower REIT is listed on Bursa Malaysia. Its investment portfolio comprises 3 prime commercial buildings in Kuala Lumpur.

Note 3: The entire 18% effective interest in EWI was disposed during the financial year.

Note 4: EWI is listed on Bursa Malaysia and is principally engaged in investment holding in international market outside of Malaysia, mainly in the United Kingdom and Australia.

All of the associates and joint ventures are accounted for using the equity method in the consolidated financial statements.

Included in amounts due from joint ventures of US$387.1 million (2023: US$198.1 million) is interest bearing at 3.9% per annum (2023: 3.9%) and is repayable at the discretion of the board of the joint venture.

NOTES TO THE FINANCIAL STATEMENTS

18. INTEREST IN ASSOCIATES AND JOINT VENTURES (cont'd)

Summarised financial information of the material associates, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	HLFG		Tower REIT		GLM Emerald		Total	
	2024 US$'000	2023 (Restated) US$'000	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000	2024 US$'000	2023 (Restated) US$'000
Non-current assets	N/A	N/A	170,392	171,725	43,703	44,328		
Current assets	N/A	N/A	6,275	677	6,995	7,065		
Total assets	71,241,291	67,528,709	176,667	172,402	50,698	51,393		
Non-current liabilities	N/A	N/A	(54,415)	(61,145)	–	–		
Current liabilities	N/A	N/A	(2,075)	(4,670)	(3,003)	(2,986)		
Total liabilities	(61,839,628)	(58,906,417)	(56,490)	(65,815)	(3,003)	(2,986)		
Non-controlling interests	(3,025,508)	(2,788,739)	–	–	–	–		
Net assets	6,376,155	5,833,553	120,177	106,587	47,695	48,407		
Group's share of net assets	1,617,586	1,479,931	40,062	23,086	21,486	21,784	1,679,134	1,524,801
Goodwill	12,092	12,092	–	–	2,078	2,123	14,170	14,215
Amounts due from an associate	–	–	2	87	–	–	2	87
Impairment loss	(12,092)	(12,092)	(2,976)	–	–	–	(15,068)	(12,092)
Group's carrying amount	1,617,586	1,479,931	37,088	23,173	23,564	23,907	1,678,238	1,527,011
Revenue	1,893,241	1,676,026	7,221	7,544	1,434	2,500		
Profit/(loss) for the year	681,662	639,603	1,199	(4,200)	(247)	(336)		
Other comprehensive income	55,151	57,968	(665)	(9,585)	(517)	(4,743)		
Total comprehensive income	736,813	697,571	534	(13,785)	(764)	(5,079)		
Carrying amount of interest in associates at the beginning of the year	1,479,931	1,419,357	23,173	25,657	23,907	25,561	1,527,011	1,470,575
Addition	–	–	6,773	–	–	–	6,773	–
Gain on increase in interest in associates	–	–	10,333	–	–	–	10,333	–
Total comprehensive income attributable to the Group	186,660	176,965	260	(910)	(112)	(134)	186,808	175,921
Dividends received during the year	(30,711)	(30,061)	(65)	(129)	–	–	(30,776)	(30,190)
Repayment from associates	–	–	(85)	(2)	–	–	(85)	(2)
Impairment loss	–	–	(2,976)	–	–	–	(2,976)	–
Exchange adjustments	(18,294)	(86,330)	(325)	(1,443)	(231)	(1,520)	(18,850)	(89,293)
Carrying amount of interest in associates at the end of the year	1,617,586	1,479,931	37,088	23,173	23,564	23,907	1,678,238	1,527,011

NOTES TO THE FINANCIAL STATEMENTS

18. INTEREST IN ASSOCIATES AND JOINT VENTURES (cont'd)

Summarised financial information of the material joint ventures, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	EWI		Carmel		Lentor Hills		Springleaf		Other immaterial joint ventures		Total	
	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
Non-current assets	-	238,778	-	-	5,788	-	-	-				
Current assets	-	220,988	645,354	839,043	453,462	510,846	219,716	-				
Total assets	-	459,766	645,354	839,043	459,250	510,846	219,716	-				
Non-current liabilities	-	(57)	(12,944)	(594,220)	(475,593)	(531,156)	(164,442)	-				
Current liabilities	-	(14,243)	(567,071)	(212,064)	(682)	(1,718)	-	-				
Total liabilities	-	(14,300)	(580,015)	(806,284)	(476,275)	(532,874)	(164,442)	-				
Non-controlling interests	-	(292)	-	-	-	-	-	-				
Net assets/(liabilities)	-	445,174	65,339	32,759	(17,025)	(22,028)	55,274	-				
Group's share of net assets	-	120,197	26,135	13,103	-	-	33,164	-				
Goodwill	-	39,374	-	-	-	-	-	-				
Impairment loss	-	(67,065)	-	-	-	-	-	-				
Shareholder's loan	-	-	226,485	138,568	61,905	59,538	98,664	-				
Group's carrying amount	-	92,506	252,620	151,671	61,905	59,538	131,828	-	68,902	30,124	515,255	333,839
(Loss)/profit for the year	(13,568)	(34,033)	32,819	32,603	-	-	-	-				
Carrying amount of interest in joint ventures at the beginning of the year	92,506	136,863	151,671	127,096	59,538	49,230	-	-	30,124	30,858	333,839	344,047
Addition	-	-	-	-	-	-	33,164	-	884	365	34,048	365
Disposal	(35,845)	-	-	-	-	-	-	-	-	-	(35,845)	-
Total comprehensive income attributable to the Group	(3,663)	(9,187)	13,128	13,041	-	-	-	-	3,251	4,454	12,716	8,308
Dividend received during the year	(54,357)	-	-	-	-	-	-	-	(1,463)	(779)	(55,820)	(779)
Impairment loss	-	(32,272)	-	-	-	-	-	-	-	-	-	(32,272)
Advance to/(repayment from) joint ventures	-	-	87,912	8,301	2,367	9,081	98,664	-	36,272	(3,285)	225,215	14,097
Exchange adjustments	1,359	(2,898)	(91)	3,233	-	1,227	-	-	(166)	(1,489)	1,102	73
Carrying amount of interest in joint ventures at the end of the year	-	92,506	252,620	151,671	61,905	59,538	131,828	-	68,902	30,124	515,255	333,839

19. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) Transaction with non-controlling interests in Rank

During the financial year ended 30 June 2024, the Group acquired an additional 2.82% interest in Rank for US$11,840,000 in cash, increasing its ownership from 53.34% to 56.16%. The Group recognised a decrease in non-controlling interests of US$24,389,000 and an increase in total equity attributable to equity shareholders of the Company of US$12,549,000.

During the financial year ended 30 June 2023, the Group acquired an additional 1.28% interest in Rank for US$4,990,000 in cash, increasing its ownership from 52.06% to 53.34%. The Group recognised a decrease in non-controlling interests of US$12,460,000 and an increase in total equity attributable to equity shareholders of the Company of US$7,470,000.

The following summarises the effect of changes in the Group's ownership interest in Rank:

	2024 US$'000	2023 US$'000
Group's ownership interest at 1 July	**482,564**	515,643
Effect of increase in Group's ownership interest	**24,389**	12,460
Share of total comprehensive income	**7,196**	(45,539)
Group's ownership interest at 30 June	**514,149**	482,564

(b) Transaction with non-controlling interests in JB Parade Sdn. Bhd. ("JB")

During the financial year ended 30 June 2023, the Group acquired an additional 20% interest in JB for US$2,336,000 in cash, increasing its ownership from 47% to 67%. The Group recognised an increase in non-controlling interests of US$181,000 and a decrease in total equity attributable to equity shareholders of the Company of US$2,517,000.

20. EQUITY INVESTMENTS AT FVOCI

	2024 US$'000	2023 US$'000
Equity securities		
Listed (at market value)		
– In Hong Kong	**552,931**	636,492
Unlisted	**73,111**	97,401
	626,042	733,893

NOTES TO THE FINANCIAL STATEMENTS

21. GOODWILL

	2024 US$'000	2023 US$'000
Cost:		
At 1 July	**368,164**	362,308
Exchange adjustments	**188**	5,856
At 30 June	**368,352**	368,164
Accumulated impairment losses:		
At 1 July	**63,227**	57,144
Impairment loss recognised	**–**	7,477
Exchange adjustments	**(104)**	(1,394)
At 30 June	**63,123**	63,227
Carrying amount:		
At 30 June	**305,229**	304,937

In accordance with the Group's accounting policy, the carrying value of goodwill is tested for impairment annually, based on value-in-use models. For impairment testing purposes, each subsidiary group acquired is treated as a single cash generating unit. The recoverable amount of goodwill is determined by discounting the future cash flows to be generated from the CGU based on the financial budgets approved by management covering a 3 to 5-year period. Cash flows beyond the period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

	Manuka Health		GuocoLand		Rank	
	2024	2023	2024	2023	2024	2023
Long term growth rate	**2%**	2%	**4%**	4%	**2%**	2%
Discount rate	**15%**	15%	**8%**	8%	**14%**	12%

The long term growth rates used are consistent with the forecasts included in industry reports and do not exceed the long-term average growth rates for the business in which the CGU operates. The discount rates used are pre-tax and reflect specific risks relating to the relevant businesses.

NOTES TO THE FINANCIAL STATEMENTS

22. DEVELOPMENT PROPERTIES

	2024 US$'000	2023 US$'000
Cost	**4,479,531**	4,000,576
Less: Progress instalments received and receivable	**(2,472,778)**	(1,368,707)
Allowance for foreseeable losses	**(179,143)**	(70,603)
	1,827,610	2,561,266

The Group recognises an allowance for foreseeable losses on development properties taking into consideration the selling prices of comparable properties, timing of sale launches, location of property, expected net selling prices and development expenditure. Market conditions may, however, change which may affect the future selling prices of the remaining unsold residential units of the development properties and accordingly, the carrying value of development properties for sale may have to be written down in future periods. As at 30 June 2024, an allowance for foreseeable losses of US$179,143,000 (2023: US$70,603,000) has been made in respect of the Group's development properties.

Certain of the Group's development properties with an aggregate book value of US$1,255.6 million (2023: US$2,106.7 million) were pledged for bank loans.

23. PROPERTIES HELD FOR SALE

	2024 US$'000	2023 US$'000
At 1 July	**212,616**	298,471
Additions	**114,284**	24,745
Transfer to investment properties	**(87,919)**	–
Transfer to other property, plant and equipment	**(2,957)**	–
Disposals	**(26,377)**	(109,242)
Write down of properties held for sale	**–**	(761)
	209,647	213,213
Exchange adjustments	**(1,777)**	(597)
At 30 June	**207,870**	212,616

During the year, a high-rise office tower ("North Tower") in Guoco Changfeng City, Shanghai was transferred from properties held for sale to investment properties due to change in use to hold the asset for capital appreciation and rental income. Accordingly, the property was transferred at fair value and the fair value gain of US$91,826,000 (2023: Nil) was recognised under cost of sales in the consolidated income statement.

As of 30 June 2023, the Group recognised a write-down of properties held for sale of US$0.8 million taking into consideration the selling prices of comparable properties, timing of sale launches, location of property and expected net selling prices.

NOTES TO THE FINANCIAL STATEMENTS

24. INVENTORIES

	2024 US$'000	2023 US$'000
Raw materials and consumables	**7,780**	29,480
Finished goods	**47,826**	20,342
Provision for inventory obsolescence	**(554)**	(851)
	55,052	48,971

25. DEPOSITS FOR LAND

The deposits for land of US$129.1 million as at 30 June 2023 were related to the progressive payment made for the acquisition of a land parcel in Singapore. The acquisition was completed in July 2023.

26. CONTRACT ASSETS/LIABILITIES

(i) Contract assets

Contract assets relate primarily to the Group's right to consideration for work completed but not billed at the reporting date in respect of its property development business. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

(ii) Contract liabilities

Contract liabilities relate primarily to advance consideration received from customers and progress billings issued in excess of the Group's rights to the consideration.

The contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer.

The significant changes in the contract assets and the contract liabilities balances during the year are as follows:

	Contract Assets		Contract Liabilities	
	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**–**	–	**126,055**	11,525
Increases due to cash received, excluding amounts recognised as revenue during the year	**–**	–	**(115,291)**	(103,849)
Contract assets reclassified to trade receivables	**(65,217)**	(145,684)	**–**	–
Change in measurement of progress	**560,434**	335,824	**–**	–
	495,217	190,140	**10,764**	(92,324)

The changes in contract assets and contract liabilities are due to the differences between the agreed payment schedule and progress of the construction work.

NOTES TO THE FINANCIAL STATEMENTS

27. TRADE AND OTHER RECEIVABLES

	2024 US$'000	2023 US$'000
Trade debtors	**153,405**	94,782
Other receivables, deposits and prepayments	**106,645**	103,852
Derivative financial instruments, at fair value	**3,309**	13,630
Interest receivables	**11,142**	7,925
	274,501	220,189

Included in the Group's trade and other receivables is US$9.1 million (2023: US$9.7 million) which is expected to be recovered after one year.

(a) Ageing analysis

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:

	2024 US$'000	2023 US$'000
Within 1 month	**134,352**	82,051
1 to 3 months	**10,699**	5,884
More than 3 months	**8,354**	6,847
	153,405	94,782

(b) Impairment of trade debtors, other receivables and deposits, and interest receivables

Impairment losses in respect of trade debtors, other receivables and deposits, and interest receivables are recorded using an allowance account based on expected credit losses. Given the Group has not experienced any significant credit losses in the past, the allowance for expected credit losses is therefore insignificant.

The balance and the movement of the allowance for bad and doubtful debts as at 30 June 2024 and 2023 are not significant.

NOTES TO THE FINANCIAL STATEMENTS

28. TRADING FINANCIAL ASSETS

	2024 US$'000	2023 US$'000
Equity securities		
Listed (at market value)		
– In Hong Kong	**579,022**	704,796
– Outside Hong Kong	**653,701**	528,363
	1,232,723	1,233,159

Certain of the Group's trading financial assets with an aggregate book value of US$128.3 million (2023: US$184.4 million) were pledged for bank loans.

29. CASH AND SHORT TERM FUNDS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	2024 US$'000	2023 US$'000
Deposits with banks	**1,419,194**	1,222,086
Cash at bank and in hand	**490,029**	413,011
Cash and short term funds in the consolidated statement of financial position	**1,909,223**	1,635,097
Fixed deposits with maturity over three months	**(359,068)**	(381,369)
Cash collaterals (note)	**(7,332)**	(7,463)
Bank overdraft	**(4,646)**	(2,495)
Cash and cash equivalents in the consolidated statement of cash flows	**1,538,177**	1,243,770

Note:

Cash collaterals comprised deposits of US$7.3 million as at 30 June 2024 (2023: US$7.5 million) pledged with financial institutions in Singapore for bank loans.

29. CASH AND SHORT TERM FUNDS AND OTHER CASH FLOW INFORMATION (cont'd)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank loans and other borrowings and interest payable US$'000	Amount due to non-controlling interests US$'000	Lease liabilities US$'000	Total US$'000
At 1 July 2022	4,900,314	324,727	935,404	6,160,445
Changes from financing cash flows:				
Net repayment of bank loans and other borrowings	(221,558)	–	–	(221,558)
Advance from non-controlling interests	–	28,519	–	28,519
Interest paid	(196,833)	–	–	(196,833)
Capital element of lease rentals paid	–	–	(59,680)	(59,680)
Interest element of lease rentals paid	–	–	(46,606)	(46,606)
Total changes from financing cash flows	(418,391)	28,519	(106,286)	(496,158)
Exchange adjustments	48,507	(2,101)	35,619	82,025
Other changes:				
Increase in lease liabilities from entering into new leases during the year	–	–	125,982	125,982
Finance costs	145,605	4,277	46,606	196,488
Capitalised borrowing costs (note 7(a))	50,254	6,711	–	56,965
Capitalisation of shareholder's loans from non-controlling interests of a subsidiary	–	(43,850)	–	(43,850)
Lease modification	–	–	(4)	(4)
Total other changes	195,859	(32,862)	172,584	335,581
At 30 June 2023	4,726,289	318,283	1,037,321	6,081,893

NOTES TO THE FINANCIAL STATEMENTS

29. CASH AND SHORT TERM FUNDS AND OTHER CASH FLOW INFORMATION (cont'd)

(b) Reconciliation of liabilities arising from financing activities (cont'd)

	Bank loans and other borrowings and interest payable US$'000	Amount due to non-controlling interests US$'000	Lease liabilities US$'000	Total US$'000
At 1 July 2023	4,726,289	318,283	1,037,321	6,081,893
Changes from financing cash flows:				
Net proceeds from bank loans and other borrowings	24,381	–	–	24,381
Advance from non-controlling interests	–	42,148	–	42,148
Interest paid	(256,680)	–	–	(256,680)
Capital element of lease rentals paid	–	–	(51,448)	(51,448)
Interest element of lease rentals paid	–	–	(50,392)	(50,392)
Total changes from financing cash flows	(232,299)	42,148	(101,840)	(291,991)
Exchange adjustments	(1,399)	(386)	1,898	113
Other changes:				
Increase in lease liabilities from entering into new leases during the year	–	–	22,997	22,997
Disposal	–	–	(653)	(653)
Finance costs	239,475	11,718	50,392	301,585
Capitalised borrowing costs (note 7(a))	18,656	1,754	–	20,410
Capitalisation of shareholder's loans from non-controlling interests of a subsidiary	–	(27)	–	(27)
Lease modification	–	–	22,927	22,927
Total other changes	258,131	13,445	95,663	367,239
At 30 June 2024	4,750,722	373,490	1,033,042	6,157,254

NOTES TO THE FINANCIAL STATEMENTS

30. ASSETS HELD FOR SALE

	2024 US$'000	2023 US$'000
Intangible assets	428	–
	428	–

At 30 June 2024, Rank is well advanced in discussions to sell the multi-brand business to a third party. The multi-brand business enables customers of those brands to play real money online gambling games on third-party platforms. The sale is expected to complete in the first quarter of the next financial year.

The divestment is driven by the Rank's longer term strategic ambition to focus on its core brands, including Grosvenor and Mecca, which are hosted on the Rank's proprietary online platform.

Accordingly, the assets of the multi-brand business were reclassified from intangible assets (note 16) to assets held for sale as at 30 June 2024.

As at 30 June 2024, Rank has expensed GBP0.1 million (approximately US$0.1 million) for the expected legal transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

31. TRADE AND OTHER PAYABLES

	2024 US$'000	2023 US$'000
Trade creditors	**117,272**	127,408
Other payables and accrued operating expenses	**591,482**	499,676
Derivative financial instruments, at fair value	**5,730**	5,297
Amounts due to fellow subsidiaries	**12,646**	8,594
Amounts due to associates and joint ventures	**433**	–
	727,563	640,975

Included in trade and other payables is US$58.2 million (2023: US$157.6 million) which is expected to be payable after one year.

(a) Ageing analysis

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:

	2024 US$'000	2023 US$'000
Within 1 month	**38,970**	60,653
1 to 3 months	**67,254**	53,112
More than 3 months	**11,048**	13,643
	117,272	127,408

(b) Other payables and accrued operating expenses

	2024 US$'000	2023 US$'000
Accrued operating expenses	**265,837**	216,521
Real estate tax payable	**61,470**	51,711
Social security and gaming and other taxation	**57,085**	48,540
Interest payables	**20,885**	17,680
Deposits received	**144,498**	115,870
Others	**41,707**	49,354
	591,482	499,676

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

NOTES TO THE FINANCIAL STATEMENTS

32. BANK LOANS AND OTHER BORROWINGS

	2024			2023		
	Current portion US$'000	Non-current portion US$'000	Total US$'000	Current portion US$'000	Non-current portion US$'000	Total US$'000
Bank loans						
– Secured	1,422,484	1,387,266	2,809,750	325,678	2,634,832	2,960,510
– Unsecured	378,153	968,490	1,346,643	693,666	570,215	1,263,881
	1,800,637	2,355,756	4,156,393	1,019,344	3,205,047	4,224,391
Other loans						
– Secured	–	–	–	–	116,651	116,651
	–	–	–	–	116,651	116,651
Unsecured medium term notes and bonds	–	573,444	573,444	–	367,567	367,567
	1,800,637	2,929,200	4,729,837	1,019,344	3,689,265	4,708,609

The Group's bank loans and other borrowings were repayable as follows:

	2024			2023		
	Bank loans and other loans US$'000	Other borrowings US$'000	Total US$'000	Bank loans and other loans US$'000	Other borrowings US$'000	Total US$'000
Within 1 year or on demand	1,800,637	–	1,800,637	1,019,344	–	1,019,344
After 1 year but within 2 years	650,346	147,264	797,610	1,580,061	–	1,580,061
After 2 years but within 5 years	1,663,677	426,180	2,089,857	958,300	367,567	1,325,867
After 5 years	41,733	–	41,733	783,337	–	783,337
	2,355,756	573,444	2,929,200	3,321,698	367,567	3,689,265
	4,156,393	573,444	4,729,837	4,341,042	367,567	4,708,609

NOTES TO THE FINANCIAL STATEMENTS

32. BANK LOANS AND OTHER BORROWINGS (cont'd)

Note:

The bank loans and other loans are secured by the following:

- legal mortgages on investment properties with an aggregate book value of US$4,397.5 million (2023: US$4,148.0 million) (note 14);
- legal mortgages on development properties with an aggregate book value of US$1,255.6 million (2023: US$2,106.7 million) (note 22);
- legal mortgages on other property, plant and equipment with an aggregate book value of US$301.6 million (2023: US$300.9 million) (note 14); and
- certain trading financial assets with an aggregate book value of US$128.3 million (2023: US$184.4 million) (note 28).

33. PROVISIONS AND OTHER LIABILITIES

	Pensions US$'000	Property lease US$'000	Others US$'000	Total US$'000
At 1 July 2022	(8,815)	17,100	12,082	20,367
Addition related to dilapidation asset	–	36,256	–	36,256
Provision made/(written back) during the year	178	4,906	(3,230)	1,854
Amounts settled or utilised during the year	(3,458)	(3,475)	(3)	(6,936)
Actuarial loss on defined benefit obligation	9,836	–	–	9,836
Exchange adjustments	(157)	861	180	884
At 30 June 2023	(2,416)	55,648	9,029	62,261
Provisions and other liabilities as at 30 June 2023 are disclosed as:				
Current liabilities	–	7,800	9,029	16,829
Non-current liabilities	6,014	47,848	–	53,862
Non-current assets	(8,430)	–	–	(8,430)
	(2,416)	55,648	9,029	62,261
At 1 July 2023	**(2,416)**	**55,648**	**9,029**	**62,261**
Provision made during the year	**187**	**2,015**	**4,738**	**6,940**
Amounts settled or utilised during the year	**(816)**	**(2,501)**	**(1,627)**	**(4,944)**
Actuarial gain on defined benefit obligation	**(515)**	**–**	**–**	**(515)**
Exchange adjustments	**(11)**	**94**	**8**	**91**
At 30 June 2024	**(3,571)**	**55,256**	**12,148**	**63,833**
Provisions and other liabilities as at 30 June 2024 are disclosed as:				
Current liabilities	**–**	**5,643**	**12,148**	**17,791**
Non-current liabilities	**5,772**	**49,613**	**–**	**55,385**
Non-current assets	**(9,343)**	**–**	**–**	**(9,343)**
	(3,571)	**55,256**	**12,148**	**63,833**

NOTES TO THE FINANCIAL STATEMENTS

33. PROVISIONS AND OTHER LIABILITIES (cont'd)

In view of the likelihood of future closure of venues following the closure of venues in the past 2 years and the downturn in the trading outlook, together with a hardening position from landlords and recessionary environment making certain properties less attractive, the Group re-considered the basis of the dilapidation provision estimate on the obligation to make good its leased properties and has recognised an additional asset and liability of US$36.3 million during the year ended 30 June 2023. These provisions are recognised based on historically settled dilapidations which form the basis of the estimated future cash outflows. Any difference between amounts expected to be settled and the actual cash outflow will be accounted for in the period when such determination is made.

Where the Group is able to exit lease contracts before the expiry date or agree sublets which may result in the release of any associated property provisions such events are subject to the agreement of the landlord. As such, the Group makes no assumptions on the ability to either exit or sublet a property until a position is contractually agreed.

During the year a provision of US$4.4 million (2023: Nil) was recognised for certain claims against the Group and all are covered by the Group's insurance policy, and as such a equal and opposite receivable has been recognised under other receivables. Provision are based on best estimates from insurers as at the reporting date and the timing of future payments is unknown. Further information is not provided as it is considered prejudicial to the ongoing cases to disclose.

34. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the reporting period:

	2024		2023	
	Present value of the minimum lease payments US$'000	Total minimum lease payments US$'000	Present value of the minimum lease payments US$'000	Total minimum lease payments US$'000
Within 1 year	**50,756**	**101,368**	62,223	113,783
After 1 year but within 2 years	**49,721**	**98,428**	41,930	89,648
After 2 years but within 5 years	**97,311**	**233,677**	105,269	242,077
After 5 years	**835,254**	**2,647,489**	827,899	2,628,524
	982,286	**2,979,594**	975,098	2,960,249
	1,033,042	**3,080,962**	1,037,321	3,074,032
Less: total future interest expenses		**(2,047,920)**		(2,036,711)
Present value of lease liabilities		**1,033,042**		1,037,321

The weighted-average borrowing rate of the Group's lease liabilities was 5.73% (2023: 5.77%) per annum during the year.

NOTES TO THE FINANCIAL STATEMENTS

35. DEFERRED TAXATION

(a) Deferred tax assets and liabilities recognised

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Depreciation allowance in excess of related depreciation US$'000	Revaluation of properties US$'000	Timing difference on development properties US$'000	Revaluation of financial liabilities US$'000	Revaluation of securities US$'000	Tax losses US$'000	Others US$'000	Total US$'000
At 1 July 2022	(15,311)	(7,034)	(10,023)	222	27,692	(112,515)	66,406	(50,563)
Charged/(credited) to consolidated income statement	5,052	3,320	(6,765)	–	(6,648)	(29,657)	(12,098)	(46,796)
Credited to other comprehensive income	–	–	–	(61)	–	–	(1,766)	(1,827)
	(10,259)	(3,714)	(16,788)	161	21,044	(142,172)	52,542	(99,186)
Exchange adjustments	(502)	(2,299)	1,364	4	30	(3,057)	1,539	(2,921)
At 30 June 2023	(10,761)	(6,013)	(15,424)	165	21,074	(145,229)	54,081	(102,107)
At 1 July 2023	**(10,761)**	**(6,013)**	**(15,424)**	**165**	**21,074**	**(145,229)**	**54,081**	**(102,107)**
Charged to consolidated income statement	**7,184**	**24,839**	**26,804**	**-**	**5,575**	**392**	**575**	**65,369**
(Credited)/charged to other comprehensive income	**-**	**-**	**-**	**(165)**	**-**	**-**	**153**	**(12)**
	(3,577)	**18,826**	**11,380**	**-**	**26,649**	**(144,837)**	**54,809**	**(36,750)**
Exchange adjustments	**(11)**	**(468)**	**(146)**	**-**	**82**	**(366)**	**(7)**	**(916)**
At 30 June 2024	**(3,588)**	**18,358**	**11,234**	**-**	**26,731**	**(145,203)**	**54,802**	**(37,666)**

	2024 US$'000	2023 US$'000
Net deferred tax assets recognised in the consolidated statement of financial position	**(109,581)**	(128,819)
Net deferred tax liabilities recognised in the consolidated statement of financial position	**71,915**	26,712
	(37,666)	(102,107)

35. DEFERRED TAXATION (cont'd)

(b) Deferred tax assets not recognised

Deferred tax assets have not been recognised in respect of the following items:

	2024 US$'000	2023 US$'000
Deductible temporary differences	**105,500**	113,180
Tax losses	**1,332,566**	1,258,401
	1,438,066	1,371,581

(c) Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

	2024 US$'000	2023 US$'000
After 1 year but less than 5 years	**79,480**	72,633
After 5 years but less than 10 years	**20,176**	20,125
After 10 years	**36,893**	41,058
Never expire	**1,196,017**	1,124,585
	1,332,566	1,258,401

The Group has not recognised deferred tax assets in respect of tax losses for certain group companies as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

(d) Deferred tax liabilities not recognised

At 30 June 2024, the temporary differences relating to the undistributed profits of subsidiaries amounted to US$183.1 million (2023: US$132.4 million). Deferred tax liabilities of US$18.3 million (2023: US$13.3 million) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Group controls the dividend policy of these subsidiaries and it has been determined that it is probable that the profits will not be distributed in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

36. SHARE CAPITAL AND RESERVES

(a) Movements in components of equity

Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital US$'000	Share premium US$'000	Retained profits US$'000	Total equity US$'000
The Company				
At 1 July 2022	164,526	10,493	3,671,796	3,846,815
Final dividend paid in respect of prior year	–	–	(62,950)	(62,950)
Interim dividend paid in respect of current year	–	–	(20,959)	(20,959)
Total comprehensive income for the year				
– Profit for the year	–	–	63,474	63,474
At 30 June 2023	164,526	10,493	3,651,361	3,826,380
At 1 July 2023	**164,526**	**10,493**	**3,651,361**	**3,826,380**
Final dividend paid in respect of prior year	**–**	**–**	**(105,563)**	**(105,563)**
Interim dividend paid in respect of current year	**–**	**–**	**(21,028)**	**(21,028)**
Total comprehensive income for the year				
– Profit for the year	**–**	**–**	**647,038**	**647,038**
At 30 June 2024	**164,526**	**10,493**	**4,171,808**	**4,346,827**

(b) Nature and purpose of reserves of the Group

(i) The application of share premium account is governed by Section 40 of the Companies Act 1981 of Bermuda.

(ii) The capital and other reserves have been set up and will be dealt with in accordance with the Group's accounting policies. The purchase consideration for issued shares of the subsidiaries acquired for the purpose of satisfying outstanding share options granted by the subsidiaries is included in the capital reserve. It also comprises statutory and regulatory reserves maintained by HLFG's banking subsidiary companies in Malaysia and Vietnam.

(iii) The contributed surplus is governed by Section 54 of the Companies Act 1981 of Bermuda.

The contributed surplus is available for distribution to shareholders. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

(a) it is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

36. SHARE CAPITAL AND RESERVES (cont'd)

(b) Nature and purpose of reserves of the Group (cont'd)

(iv) The ESOS reserve comprises the purchase consideration for issued shares of the Company acquired for the Share Option Scheme for the purpose of satisfying the exercise of share options to be granted to eligible employees.

(v) The share option reserve comprises the cumulative value of employee services received for the issue of share options.

(vi) The exchange translation reserve comprises:

(a) the foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries, associates and joint ventures whose functional currencies are different from the functional currency of the Company.

(b) the exchange differences on monetary items which form part of the Group's net investment in the foreign subsidiaries, associates and joint ventures.

(vii) Fair value reserve comprises unrealised gain or loss arising from changes in fair value of equity investments at FVOCI.

(viii) Hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

(ix) Revaluation reserve comprises increase in fair value of other property, plant and equipment and development properties from acquired subsidiaries.

(x) Distributable reserves of the Company at 30 June 2024 amounted to US$4,167,242,000 (2023: US$3,646,943,000).

(c) Share capital

	2024		2023	
	No. of shares '000	US$'000	No. of shares '000	US$'000
Authorised:				
Ordinary shares of US$0.50 each	**800,000**	**400,000**	800,000	400,000
Issued and fully paid:				
As at 1 July and 30 June	**329,051**	**164,526**	329,051	164,526

Note: As at 30 June 2024, 3,826,862 (2023: 3,826,862) ordinary shares were acquired by the Group to reserve for the executive share scheme for the purpose of satisfying the exercise of share options and/or vesting of free shares to be granted to eligible participants.

NOTES TO THE FINANCIAL STATEMENTS

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Disposal of a subsidiary

On 26 June 2024, the Group completed the sale of Passion Gaming Private Limited ("Passion Gaming") to its founders.

The major classes of assets and liabilities disposed relating to Passion Gaming for the period ending 26 June 2024 was as follows:

	2024 US$'000
Net assets disposed:	
Intangible assets	**91**
Other property, plant and equipment	**123**
Trade and other receivables	**209**
Cash and short term funds	**1,247**
Trade and other payables	**(1,057)**
Net assets disposed of	**613**
Consideration received	**(182)**
Loss on disposal	**431**

The consideration received on the date of disposal was US$0.2 million and net of cash and short term funds disposed, there was a net outflow of US$1.0 million.

38. EMPLOYEE RETIREMENT BENEFITS

(a) Defined benefit retirement plans

The Group has several defined benefit pension schemes, all of which are closed to new members and their assets are held in separate funds administered by independent trustees. Actuarial valuations are carried out at least once every three years. The Group has set aside sufficient funds to fund the schemes.

These defined benefit pension schemes expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The plans are funded by contributions from the Group's subsidiaries in accordance with the schedule of contributions between the trustees and the Group's subsidiaries following each triennial actuarial valuation carried out by independent actuaries, using the projected unit credit method. The latest independent actuarial valuations of the plans in the United Kingdom were at 1 May 2023 and were prepared by qualified staff of Aon Hewitt Limited, who are members of the Institute and Faculty of Actuaries. The latest independent actuarial valuations of the plans in New Zealand were at 31 March 2024 and were prepared by qualified staff of MCA NZ Limited, who are fellow members of the New Zealand Society of Actuaries. The actuarial valuations indicate that the Group's combined obligations under these defined benefit retirement plans are 109% (2023: 107%) covered by the plan assets held by the trustees.

38. EMPLOYEE RETIREMENT BENEFITS (cont'd)

(a) Defined benefit retirement plans (cont'd)

The amounts recognised in the consolidated statement of financial position are as follows:

	2024 US$'000	2023 US$'000
Present value of funded obligations	**89,947**	90,106
Less: Fair value of plan assets	**(98,290)**	(97,432)
Present value of net surplus of funded plans	**(8,343)**	(7,326)
Employer superannuation tax payable	**480**	531
Present value of unfunded obligations	**4,292**	4,379
Net assets in the consolidated statement of financial position	**(3,571)**	(2,416)

A portion of the above net assets is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

(i) Changes in the present value of the defined benefit obligation are as follows:

	2024 US$'000	2023 US$'000
At 1 July	**90,106**	102,151
Current service costs	**13**	14
Interest cost	**4,566**	3,614
Actuarial loss/(gain)	**82**	(14,028)
Benefits paid	**(4,970)**	(4,868)
Exchange differences	**150**	3,223
At 30 June	**89,947**	90,106

(ii) Changes in the fair value of plan assets are as follows:

	2024 US$'000	2023 US$'000
At 1 July	**(97,432)**	(115,992)
Contributions from the Group	**(608)**	(3,159)
Benefits paid	**4,970**	4,868
Interest income	**(4,455)**	(3,478)
Actuarial (gain)/loss	**(597)**	23,864
Exchange differences	**(168)**	(3,535)
At 30 June	**(98,290)**	(97,432)

NOTES TO THE FINANCIAL STATEMENTS

38. EMPLOYEE RETIREMENT BENEFITS (cont'd)

(a) Defined benefit retirement plans (cont'd)

(iii) Movements in the net assets for defined benefit pension scheme recognised in the consolidated statement of financial position are as follows:

	2024 US$'000	2023 US$'000
At 1 July	**(6,795)**	(13,208)
Contributions from the Group	**(608)**	(3,159)
Expenses recognised in profit or loss	**146**	171
Net actuarial (gain)/loss recognised in other comprehensive income	**(515)**	9,836
Tax recognised in other comprehensive income	**41**	7
Tax paid during the year	**(114)**	(130)
Exchange differences	**(18)**	(312)
At 30 June	**(7,863)**	(6,795)

(iv) (Income)/expenses recognised in consolidated income statement and consolidated statement of comprehensive income are as follows:

	2024 US$'000	2023 US$'000
Current service costs	**13**	14
Net interest expense on obligation	**111**	136
Tax recognised in profit or loss	**22**	21
Net actuarial (gain)/loss recognised	**(515)**	9,836
Tax recognised in other comprehensive income	**41**	7
	(328)	10,014

(v) Plan assets comprise of:

	2024 US$'000	2023 US$'000
Equity/diversified growth fund	**27,272**	32,706
Bond	**64,602**	59,044
Insurance policy	**3,784**	4,489
Cash	**2,632**	1,193
	98,290	97,432

NOTES TO THE FINANCIAL STATEMENTS

38. EMPLOYEE RETIREMENT BENEFITS (cont'd)

(a) Defined benefit retirement plans (cont'd)

(vi) Principal actuarial assumptions as at the reporting date (expressed as weighted averages) are as follows:

	2024	2023
Discount rate	**5.20%**	5.40%
Rates of increase to pensions in payment		
– Retail Price Index maximum 5% per annum	**2.85%**	2.95%
– Consumer Price Index maximum 3% per annum	**2.05%**	2.05%
– Consumer Price Index maximum 2.5% per annum	**1.80%**	1.85%
Rate of increase in salaries	**4.00%**	4.00%

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Increase US$'000	Decrease US$'000
2024		
Discount rate (1% movement)	**(7,637)**	**9,032**
Rate of increase to pensions in payment (1% movement)	**2,160**	**(2,286)**
Rate of increase in salaries (1% movement)	**126**	**(126)**
Future mortality (1% movement)	**1,771**	**(1,783)**
2023		
Discount rate (1% movement)	(8,901)	10,675
Rate of increase to pensions in payment (1% movement)	3,419	(3,419)
Rate of increase in salaries (1% movement)	126	(126)
Future mortality (1% movement)	1,947	(1,958)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

NOTES TO THE FINANCIAL STATEMENTS

38. EMPLOYEE RETIREMENT BENEFITS (cont'd)

(a) Defined benefit retirement plans (cont'd)

Other pension commitment

Rank has an unfunded pension commitment relating to three former executives of Rank. At 30 June 2024, Rank's commitment was US$4.3 million (2023: US$4.4 million). Rank paid US$0.1 million (2023: US$0.2 million) in pension payments during the year. No actuarial difference arising on the commitment, resulting from the changes in assumptions outlined below in the year (2023: Nil).

Assumptions used to determine the obligations at:

	2024	2023
Discount rate per annum	**5.1%**	5.1%
Pension increases per annum	**5.0%**	5.0%

The obligation has been calculated using the S2 mortality tables with a 1.5% per annum improvement in life expectancy.

(b) Defined contribution retirement plans

The Company and its subsidiaries in Hong Kong operate a Mandatory Provident Fund Scheme ("MPF Scheme") which has been established under the Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance in December 2000. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the Group's contribution is 10 percent or 5 percent of employees' monthly salaries and is expensed as incurred.

Subsidiaries in Singapore operate a Central Provident Fund Scheme ("CPF Scheme") which is a defined contribution scheme. Under this CPF Scheme, the subsidiary's contribution is 7.5 percent to 17 percent of employees' monthly salaries and is expensed as incurred.

During the year, the Group's costs incurred on employees pension schemes were US$14,853,000 (2023: US$13,489,000) and forfeited contributions in the amount of US$1,000 (2023: US$24,000) were used to reduce current year's contributions.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities.

These risks are managed by the Group's financial risk management policies and practices described below.

(a) Credit risk

The Group's credit risks are primarily attributable to bank deposits, debt securities, derivative financial instruments and trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group's bank deposits are only placed in and debt securities are only purchased from counterparties which have high credit quality. Transactions involving derivative financial instruments are with counterparties with sound credit ratings. The Group has limits for exposures to individual counterparties and countries to manage concentration risk.

The Group's credit exposure in the property business is minimal as customers fund their purchases of residential housing units with mortgaged home loans from independent financial institutions. The hotel business has its own credit policy to allow credit periods of up to 60 days for certain of its customers. Sales to gaming retail customers are settled in cash or using major credit cards. The Group has no significant concentrations of credit risks. The Group does not hold any collateral over the receivables balances.

The Group measures loss allowance for trade debtors in accordance with accounting policy in note 2(k)(i). The allowance for expected credit losses is insignificant.

The maximum exposure to credit risk at the end of the reporting period without taking into account of any collateral held is represented by the carrying amount of each financial asset, including derivative financial instruments, in the consolidated statement of financial position after deducting any impairment allowance.

NOTES TO THE FINANCIAL STATEMENTS

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(b) Liquidity risk

Liquidity is managed on a daily basis by the treasury and finance departments. They are responsible for ensuring that the Group has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches. The Group manages liquidity risk by holding sufficient liquid assets of appropriate quality to ensure that short term funding requirements are covered within prudent limits.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates prevailing at the end of the reporting period) and the earliest date the Group can be required to pay:

	2024 Contractual undiscounted cash flow						2023 Contractual undiscounted cash flow					
	Within 1 year or on demand US$'000	More than 1 year but less than 2 years US$'000	More than 2 years but less than 5 years US$'000	More than 5 years US$'000	Total US$'000	Carrying amount at 30 June 2024 US$'000	Within 1 year or on demand US$'000	More than 1 year but less than 2 years US$'000	More than 2 years but less than 5 years US$'000	More than 5 years US$'000	Total US$'000	Carrying amount at 30 June 2023 US$'000
Non-derivative financial liabilities												
Bank loans and other loans	(1,954,447)	(805,087)	(1,763,418)	(47,007)	(4,569,959)	(4,156,393)	(1,196,536)	(1,709,242)	(1,852,368)	(51,215)	(4,809,361)	(4,341,042)
Unsecured medium term notes and bonds	(20,901)	(163,839)	(441,493)	-	(626,233)	(573,444)	(12,319)	(12,285)	(378,642)	-	(403,246)	(367,567)
Trade and other payables	(545,089)	(355)	(57,832)	-	(603,276)	(603,276)	(377,851)	(98,606)	(58,568)	(397)	(535,422)	(535,422)
Lease liabilities	(101,368)	(98,428)	(233,677)	(2,647,489)	(3,080,962)	(1,033,042)	(113,783)	(89,648)	(242,077)	(2,628,524)	(3,074,032)	(1,037,321)
	(2,621,805)	(1,067,709)	(2,496,420)	(2,694,496)	(8,880,430)	(6,366,155)	(1,700,489)	(1,909,781)	(2,531,655)	(2,680,136)	(8,822,061)	(6,281,352)
Derivative financial liabilities												
Derivatives settled gross:												
Forward foreign exchange contracts												
- outflows	(488,927)	-	-	-	(488,927)		(159,159)	-	-	-	(159,159)	
- inflows	486,609	-	-	-	486,609		155,488	-	-	-	155,488	
	(2,318)	-	-	-	(2,318)		(3,671)	-	-	-	(3,671)	

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(c) Interest rate risk

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 swaps to manage its interest rate exposure as appropriate. As at 30 June 2024, the Group had interest rate swaps with outstanding notional amount of US$73.7 million (2023: US$789.8 million).

(i) Interest rate profile

The following table details the interest rate profile of the Group's interest earning financial assets and interest bearing financial liabilities at the end of the reporting period.

	2024		2023	
	Effective interest rate	US$'000	Effective interest rate	US$'000
Floating rate financial liabilities				
Bank loans and other borrowings	3.96% to 7.88%	(3,860,862)	1.93% to 8.16%	(4,167,921)
		(3,860,862)		(4,167,921)
Fixed rate financial assets/(liabilities)				
Deposits with banks	0.10% to 6.25%	1,419,194	0.10% to 6.07%	1,222,086
Bank loans and other borrowings	3.29% to 5.08%	(868,975)	3.29% to 5.08%	(540,688)
Lease liabilities	2.80% to 7.49%	(1,033,042)	2.80% to 7.49%	(1,037,321)
		(482,823)		(355,923)
Total		(4,343,685)		(4,523,844)

(ii) Sensitivity analysis

At 30 June 2024, it is estimated that a general increase/decrease of 1 to 125 basis points (2023: 1 to 97 basis points) in interest rates in respect of the Group's various currencies, mainly United States dollars, Pound sterling, Hong Kong dollars, Singapore dollars and Malaysian ringgit, with all other variables held constant, would have decreased/increased the Group's profit by approximately US$24.0 million (2023: US$12.6 million), but no significant effect (2023: Nil) on other components of equity.

The sensitivity analysis above indicates the instantaneous change in the Group's profit or loss and other components of equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit or loss and other components of equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis as for 2023.

NOTES TO THE FINANCIAL STATEMENTS

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(d) Foreign currency risk

Structural foreign currency positions arise mainly on overseas investments in Singapore, Malaysia, China and the United Kingdom. Currency exposure to these overseas investments is managed primarily at the Group level with the principal objective of ensuring that the Group's reserves are protected from exchange rate fluctuations.

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

(i) Exposure to foreign currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency and exposure arising from inter-company balances which are considered to be in the nature of interest in subsidiaries are excluded.

	2024					2023				
	Japanese yen '000	Renminbi '000	Pound sterling '000	Malaysian ringgit '000	Singapore dollars '000	Japanese yen '000	Renminbi '000	Pound sterling '000	Malaysian ringgit '000	Singapore dollars '000
Trade and other receivables	1	141	3,413	-	-	1	1,123	2,095	-	343
Trading financial assets	-	-	45,638	7,925	-	-	-	91,220	5,810	18,419
Cash and short term funds	-	31,495	10,007	296	8,502	82,754	33,356	124	581	75,409
Trade and other payables	-	(7,959)	-	(52)	(8,386)	(194,198)	(7,588)	(2)	(47)	(8,521)
Bank loans and other borrowings	-	(2,157,525)	-	-	-	-	(1,257,525)	-	-	-
Gross exposure arising from recognised assets and liabilities	1	(2,133,848)	59,058	8,169	116	(111,443)	(1,230,634)	93,437	6,344	85,650
Notional amounts of forward exchange contracts at fair value through profit or loss	1,603,760	-	(36,527)	(7,963)	-	621,172	-	(53,703)	(5,810)	(52,947)
Overall net exposure	1,603,761	(2,133,848)	22,531	206	116	509,729	(1,230,634)	39,734	534	32,703

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(d) Foreign currency risk (cont'd)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit or loss and other components of equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2024			2023		
	Increase in foreign exchange rates	Effect on profit US$'000	Effect on other components of equity US$'000	Increase in foreign exchange rates	Effect on profit US$'000	Effect on other components of equity US$'000
Japanese yen	11%	1,096	–	14%	(201)	–
Renminbi	1%	(3,084)	–	7%	(11,618)	–
Pound sterling	2%	569	–	1%	2,817	–
Malaysian ringgit	3%	1	–	6%	6	–
Singapore dollars	3%	2	–	4%	659	–

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit or loss and other components of equity measured in the respective functional currencies, translated into United States dollars at the exchange rate ruling at the end of the reporting period for presentation purpose.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis as for 2023.

(e) Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as trading financial assets (see note 28) and equity investments at FVOCI (see note 20).

The Group maintains an investment portfolio which comprises listed and unlisted equities. Investments are chosen to enhance creation of capital value for trading purpose as well as for long term potential growth. Equity investments are subject to asset allocation limits to control appropriate risks. The portfolio size is regularly reviewed and the price movements are closely monitored by the investment committee, who will take appropriate actions when required.

At 30 June 2024, it is estimated that an increase/decrease of 3% to 14% (2023: 1% to 11%) in the market value of the Group's global listed trading securities and equity investments at FVOCI, with all other variables held constant, would have increased/decreased the Group's profit by US$121.7 million (2023: US$69.2 million) and other components of equity by US$26.8 million (2023: US$28.5 million). The analysis is performed on the same basis as for 2023.

NOTES TO THE FINANCIAL STATEMENTS

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(f) Fair values measurement

(i) Financial assets and liabilities measured at fair value

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

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3 valuations: Fair value measured using significant unobservable inputs.

	2024				2023			
	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Recurring fair value measurements								
Assets								
Equity investments at FVOCI:								
– Listed	552,931	–	–	552,931	636,492	–	–	636,492
– Unlisted	–	6,509	66,602	73,111	–	12,591	84,810	97,401
Trading financial assets:								
– Listed	1,232,723	–	–	1,232,723	1,233,159	–	–	1,233,159
Derivative financial instruments:								
– Interest rate swaps	–	360	–	360	–	7,797	–	7,797
– Forward exchange contracts	–	2,949	–	2,949	–	5,833	–	5,833
	1,785,654	9,818	66,602	1,862,074	1,869,651	26,221	84,810	1,980,682
Liabilities								
Derivative financial instruments:								
– Forward exchange contracts	–	3,079	–	3,079	–	3,912	–	3,912
– Equity swaps	–	2,651	–	2,651	–	1,385	–	1,385
	–	5,730	–	5,730	–	5,297	–	5,297

NOTES TO THE FINANCIAL STATEMENTS

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(f) Fair values measurement (cont'd)

(i) Financial assets and liabilities measured at fair value (cont'd)

During the years ended 30 June 2024 and 30 June 2023, there were no transfers between Level 1 and Level 2. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

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

Information about Level 3 fair value measurements

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

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

	2024 US$'000	2023 US$'000
Unlisted equity investments at FVOCI:		
At 1 July	**84,810**	86,085
Net unrealised losses recognised in other comprehensive income during the year	**(18,199)**	(4,431)
Additions	**1,879**	3,808
Cash distribution	**(1,888)**	(652)
At 30 June	**66,602**	84,810

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

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

The carrying amounts of the financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2024 and 2023.

(g) Financial assets and liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association ("ISDA") master agreements providing offsetting mechanism under certain circumstances. At the end of the reporting period, the Group and the counterparties have not exercised their rights to offset the financial instruments and the derivatives are settled at gross amount.

NOTES TO THE FINANCIAL STATEMENTS

40. CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure by reviewing its equity-debt ratio and cashflow requirements, taking into account of its future financial obligations and commitments. For this purpose, the Group defines equity-debt ratio as the ratio of the total equity attributable to equity shareholders of the Company to net debt. Net debt comprises total borrowings less cash and short term funds as well as trading financial assets.

The equity-debt ratio at the end of the reporting period is as follows:

	2024 US$'000	2023 (Restated) US$'000
Bank loans and other loans	**4,156,393**	4,341,042
Other borrowings	**573,444**	367,567
Total borrowings	**4,729,837**	4,708,609
Less: Cash and short term funds	**(1,909,223)**	(1,635,097)
Trading financial assets	**(1,232,723)**	(1,233,159)
Net debt	**1,587,891**	1,840,353
Total equity attributable to equity shareholders of the Company	**7,857,223**	7,594,831
Equity-debt ratio	**83 : 17**	80 : 20

41. COMMITMENTS

(a) Capital commitments outstanding at year end not provided for in the financial statements

	2024 US$'000	2023 US$'000
Authorised and contracted for	**19,803**	15,710
Authorised but not contracted for	**17,604**	18,019
	37,407	33,729

The commitment in respect of development expenditure contracted but not provided for in the financial statements by the Group was US$433.6 million (2023: US$500.4 million).

(b) There were also commitments in respect of foreign currency contracts relating to the normal operations as at 30 June 2024 and 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

42. CONTINGENT LIABILITIES

(a) GuocoLand

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

(b) Rank

Property arrangements

Rank has certain property arrangements under which rental payments revert to Rank in the event of default by the third party. At 30 June 2024, it is not considered probable that the third party will default. As such, no provision has been recognised in relation to these arrangements. If the third party was to default on these arrangements, the obligation was to fall back to Rank and the undiscounted monthly rental for these property arrangements was GBP0.8 million (approximately US$1.0 million) on a discounted basis.

Legal and regulatory landscape

Given the nature of the legal and regulatory landscape of the industry, from time to time Rank receives notices and communications from regulatory authorities and other parties in respect of its activities and is subject to compliance assessments of its licensed activities.

Rank recognises that there is uncertainty over any fines or charges that may be levied by regulators as a result of past events and depending on the status of such reviews, it is not always possible to reliably estimate the likelihood, timing and value of potential cash outflows.

Disposal claims

As a consequence of historic sale or closure of previously owned businesses, Rank may be liable for legacy industrial disease and personal injury claims alongside any other directly attributable costs. The nature and timing of these claims are uncertain and depending on the result of the claim's assessment review, it is not always possible to reliably estimate the likelihood, timing and value of potential cash outflows.

Contingent consideration

On 21 April 2022, Rank completed the purchase of the remaining 50% shareholding of Rank Interactive Limited (previously known as Aspers Online Limited) for a total consideration of GBP1.3 million (approximately US$1.6 million). Of this consideration, GBP0.5 million (approximately US$0.6 million) was paid in cash on completion in lieu of the outstanding loan balance Rank owed to the seller and GBP0.8 million (approximately US$1.0 million) in contingent consideration included in trade and other payables. The contingent consideration will be equivalent to a percentage of the net gaming revenue generated from the acquired customer database. A present value of GBP0.8 million (approximately US$1.0 million) was recognised at 30 June 2022.

At 30 June 2023, Rank settled GBP0.4 million (approximately US$0.5 million) of the contingent consideration leaving a balance of GBP0.4 million (approximately US$0.5 million).

At 30 June 2024, Rank settled a further GBP0.1 million (approximately US$0.1 million) of the contingent consideration leaving a balance of GBP0.3 million (approximately US$0.4 million).

NOTES TO THE FINANCIAL STATEMENTS

43. MATERIAL RELATED PARTY TRANSACTIONS

(a) Banking transactions

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

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

Mr. QUEK Leng Chan, being a deemed controlling shareholder of the Company, is a deemed controlling shareholder of companies in the HLCM Group. Companies in the HLCM Group are deemed related parties to the Group.

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

(i) Income for the year ended 30 June

	2024 US$'000	2023 US$'000
Interest income	832	476

(ii) Balance as at 30 June

	2024 US$'000	2023 US$'000
Deposits and short term funds	13,802	35,175

(b) Management fees

On 30 June 2023, the Company entered into a master services agreement with GuoLine Group Management Company Pte. Ltd. ("GGMC") for three financial years from 1 July 2023 to 30 June 2026. GGMC or other Hong Leong Group company(ies) (comprising GuoLine Capital Assets Limited ("GCAL") and HLCM and their subsidiaries) as may be agreed by the parties from time to time may become service provider(s) under the master services agreement.

GGMC is a wholly-owned subsidiary of GCAL, the ultimate holding company and a substantial shareholder of the Company. Mr QUEK Leng Chan, being a controlling shareholder of GCAL and HLCM, is regarded as a substantial shareholder of the Company. GGMC and other Hong Leong Group companies which may become service provider(s) under the master services agreement are deemed related parties to the Group.

Total amount paid or provided for in respect of management fees to GGMC for the year ended 30 June 2024 amounted to US$16,922,000 (2023: US$12,256,000).

Total amount paid or provided for in respect of management fees to HL Management Co Sdn Bhd ("HLMC") for the year ended 30 June 2023 amounted to US$445,000 in accordance with the previous master services agreement between the Company and HLMC which expired on 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

43. MATERIAL RELATED PARTY TRANSACTIONS (cont'd)

(c) Investment management fees and advisory fees

On 1 November 2022, Asia Fountain Assets Limited ("AFAL"), an indirect wholly-owned subsidiary of the Company, entered into the Investment Management Agreement with GuoLine Advisory Pte. Ltd. ("GAPL", a 50:50 joint venture company owned by GuocoEquity Assets Limited ("GEAL") (a direct wholly-owned subsidiary of the Company) and GGMC). GAPL provides AFAL with discretionary fund management services in relation to all the investment assets (including monies and other investment products) of AFAL, proceeds therefrom and dividend income, other than those which may be designated by AFAL as not forming part of the mandate of GAPL under the Investment Management Agreement in accordance with the terms and conditions of the Investment Management Agreement.

On 1 November 2022, Guoco Management Company Limited ("GMC"), a direct wholly-owned subsidiary of the Company, entered into the Investment Advisory and Management Agreement with GAPL. GAPL provides GMC, Asia Fountain Investment Company Limited (an indirect wholly-owned subsidiary of the Company) and other relevant wholly-owned subsidiaries of the Company with investment advisory services in accordance with the terms and conditions of the Investment Advisory and Management Agreement.

Total amount paid or provided for in respect of investment management fees and performance fee to GAPL by AFAL for the year ended 30 June 2024 amounted to US$3,328,000 (2023: US$2,091,000) and US$133,000 (2023: US$2,566,000) respectively.

Total amount paid or provided for in respect of advisory fees to GAPL by GMC for the year ended 30 June 2024 amounted to US$408,000 (2023: US$203,000).

(d) Key management personnel information

Emoluments for key management personnel, including amounts paid to the Company's directors as disclosed in note 9, is as follows:

	2024 US$'000	2023 US$'000
Short-term employee benefits	**4,594**	3,408

Total emoluments are included in "staff costs" (see note 7(b)).

(e) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of (a) banking transactions, (b) management fees and (c) investment management fees and advisory fees above constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section "INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS" of the Report of the Directors.

NOTES TO THE FINANCIAL STATEMENTS

44. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	2024 US$'000	2023 US$'000
NON-CURRENT ASSETS		
Interest in subsidiaries	**3,512,256**	3,096,481
Interest in associated company	**242,832**	242,832
Intangible assets	**203**	203
	3,755,291	3,339,516
CURRENT ASSETS		
Trade and other receivables	**10,274**	6,759
Cash and short term funds	**898,903**	669,977
	909,177	676,736
CURRENT LIABILITIES		
Amounts due to subsidiaries	**313,698**	189,099
Trade and other payables	**3,943**	773
	317,641	189,872
NET CURRENT ASSETS	**591,536**	486,864
NET ASSETS	**4,346,827**	3,826,380
CAPITAL AND RESERVES		
Share capital (note 36)	**164,526**	164,526
Reserves (note 36)	**4,182,301**	3,661,854
TOTAL EQUITY	**4,346,827**	3,826,380

Approved and authorised for issue by the Board of Directors on 26 September 2024.

KWEK Leng Hai
Christian K. NOTHHAFT
Directors

45. PARENT AND ULTIMATE HOLDING COMPANY

The directors consider the parent company at 30 June 2024 to be GuoLine Overseas Limited, which is incorporated in Bermuda and the ultimate holding company to be GuoLine Capital Assets Limited, which is incorporated in Jersey. These entities do not produce financial statements available for public use.

46. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 30 JUNE 2024

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 30 June 2024 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Note (i)
Amendments to HKAS 1 – Classification of liabilities as current or non-current	1 January 2024
Amendments to HKAS 1 – Non-current liabilities with covenants	1 January 2024
Amendments to HKFRS 16 – Lease liability in a sale and leaseback	1 January 2024
Amendments to HKAS 7 and HKFRS 7 – Supplier finance arrangements	1 January 2024
Amendments to HKAS 21 – Lack of exchangeability	1 January 2025

Note:

(i) Effective for annual periods beginning on or after a date to be determined.

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

MAJOR DEVELOPMENT PROPERTIES AND PROPERTIES HELD FOR SALE OF THE SUBSIDIARIES

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") date	Site area sq.m	Gross floor area sq.m	Group's interest %
Singapore						
Guoco Midtown situated at Beach Road	Residential/ Commercial#/ Office#	Completed		22,202	90,029	47
Midtown Modern situated at Tan Quee Lan Street	Office/ Residential	Structural, architectural & M&E works	2nd Quarter 2025	11,531	48,430	40
Lentor Mansion situated at Lentor Gardens	Residential	Piling Works	4th Quarter 2027	21,867	45,921	40
Lentor Modern situated at Lentor Central	Residential/ Commercial/ Retail	Structural, architectural & M&E works	2nd Quarter 2026	17,280	60,480	67
Malaysia						
Emerald 9 situated at Lot 809 and 810 Cheras Batu $8_{1/4}$ and $8_{1/2}$ Jalan Cheras, Daerah Hulu Langat, Selangor	Residential/ Hotel/ Commercial/ Retail	Phase 1: N/A Phase 2, 3 and 4: Works in Progress	Completed In phases from 2nd Quarter 2026 to 1st Quarter 2027	41,010	287,235	45
PJ Corporate Park situated at Lot 13507, Seksyen 32, Bandar Petaling Jaya, Daerah Petaling Selangor	Commercial	Planning	*	12,974	38,053	45
Emerald Hills situated at Lot 7585 to 7589, 7597 to 7600, 103882 and PT 15231, Mukim Petaling Wilayah Persekutuan, Kuala Lumpur	Residential	Phase 1: N/A Phase 2: Works in Progress	Completed 4th Quarter 2024	191,658	245,980	45
Oval Kuala Lumpur situated at Seksyen 63, Bandar & Daerah Kuala Lumpur, Wilayah Persekutuan, Kuala Lumpur	Residential	Completed		7,136	19,172	45
Vacant Agriculture Land situated at Mukim of Jasin, Melaka Darul Amin	Residential	Planning	*	7,153,439	7,153,439	31

MAJOR DEVELOPMENT PROPERTIES AND PROPERTIES HELD FOR SALE OF THE SUBSIDIARIES

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") date	Site area sq.m	Gross floor area sq.m	Group's interest %
The People's Republic of China						
Guoco Changfeng City situated at Putuo District, Shanghai	Office#/ Retail#	Completed		143,845	130,714	67
Chongqing Guoco 18T Mansion situated at Yuzhong District, Chongqing	Residential/ Commercial	Plot 1: Works in Progress	3rd Quarter 2024	39,669	256,845	50
		Plot 2: N/A	Completed			
		Plot 3 and 4: Planning	*	9,292	84,235	
Chongqing Central Park situated at Liangjiang District, Chongqing	Residential/ Commercial	Plot 1 & 2: Planning	In phases from 2nd Quarter 2026 to 4th Quarter 2027	75,137	84,570	50
		Plot 3 & 4: Works in Progress	In phases from 3rd Quarter 2024 to 1st Quarter 2025	66,821	113,030	

* Not available as these developments have not commenced construction or have not been launched yet.
\# The carrying value is included in Investment Properties.

MAJOR PROPERTIES OF THE SUBSIDIARIES HELD FOR INVESTMENT

Location	Existing Use	Tenure of Land
Singapore		
20 Collyer Quay Singapore 049319	Office building	999 years lease with effect from 5 November 1862
Lots 99951A, 99952K and 99953N Part of 61 Robinson Road Singapore 068893	Reversionary interests in freehold land	(Note)
Guoco Tower 1/3/5/7/9 Wallich Street Singapore 078881	Office building and retail mall	99 years lease with effect from 21 February 2011
Guoco Midtown Beach Road	Office building and retail mall	99 years lease with effect from 2 January 2018
Midtown Modern Tan Quee Lan Street	Office building and retail mall	99 years lease with effect from 10 December 2019
Lentor Modern Lentor Central	Commercial building and retail mall	99 years lease with effect from 26 October 2021

Note: The Group disposed of its interests in a 98-year lease (with effect from 19 March 1998) in the freehold land to a third party. Accordingly, the Group recognised its reversionary interests in the freehold land.

Location	Existing Use	Tenure of Land
Malaysia		
Damansara City Lot 58303 Bukit Damansara Kuala Lumpur	Retail mall and hotel	Freehold
The People's Republic of China		
Guoco Changfeng City No. 452 Daduhe Road Shanghai	Commercial building and retail mall	50 years land use rights with effect from 11 December 2005
Hong Kong		
The Center 12th & 15th Floors 99 Queen's Road Central Hong Kong	Office building	From 24 November 1995 to 30 June 2047