

2021/22

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



A Member of the Hong Leong Group

(Stock Code: 53)

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CORPORATE INFORMATION

(As at 23 February 2022)

BOARD OF DIRECTORS

Executive Chairman

KWEK Leng Hai

Executive Director

CHEW Seong Aun

Non-executive Director

KWEK Leng San

Independent Non-executive Directors

David Michael NORMAN
Lester G. HUANG, SBS, JP
Paul Jeremy BROUGH

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE

Paul Jeremy BROUGH – *Chairman*
David Michael NORMAN
Lester G. HUANG, SBS, JP

BOARD REMUNERATION COMMITTEE

Lester G. HUANG, SBS, JP – *Chairman*
KWEK Leng Hai
Paul Jeremy BROUGH

BOARD NOMINATION COMMITTEE

KWEK Leng Hai – *Chairman*
David Michael NORMAN
Paul Jeremy BROUGH

GROUP CHIEF FINANCIAL OFFICER

CHEW Seong Aun

COMPANY SECRETARY

LO Sze Man, Stella

PLACE OF INCORPORATION

Bermuda

REGISTERED OFFICE

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PRINCIPAL OFFICE

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Hong Kong

AUDITOR

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

FINANCIAL CALENDAR

Announcement of interim results	23 February 2022 (Wednesday)
Latest time to register transfers for interim dividend	4:30 p.m. on 9 March 2022 (Wednesday)
Closure of register of members for interim dividend	10 March 2022 (Thursday)
Payment of interim dividend of HK\$0.50 per share	23 March 2022 (Wednesday)

The board of directors (the “Board”) of Guoco Group Limited (the “Company”) would like to present the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 31 December 2021 as follows:

FINANCIAL RESULTS

The Group recorded an unaudited consolidated profit attributable to shareholders of HK\$616 million for the six months ended 31 December 2021 (2020: HK\$1,011 million). For this reporting period, performances were mixed. Principal Investment and the hotel business in the Hospitality and Leisure segment recorded losses but the other core businesses witnessed improved profitability. Basic earnings per share amounted to HK\$1.89 (2020: HK\$3.11).

Revenue for the six months ended 31 December 2021 increased by 61% to HK\$7.4 billion primarily due to an increase of HK\$2.1 billion in revenue from the Hospitality and Leisure segment arising from the progressive lifting of COVID-19 related lockdowns, and the scale back in restrictions on travel and social distancing measures for much of the financial period being reported. Our results were also augmented by an increase of HK\$0.8 billion in revenue from the Property Development and Investment segment as a result of higher recognition of progressive sales from residential projects in Singapore along with the sales of properties in China. However, the performance and results were tempered by the effects of the Omicron variant affecting our hotel business in the Hospitality and Leisure segment in particular towards the end of the calendar year.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK\$0.50 per share amounting to approximately HK\$165 million for the financial year ending 30 June 2022 (2020/2021 interim dividend: HK\$0.50 per share amounting to approximately HK\$165 million), which will be payable on Wednesday, 23 March 2022 to the shareholders whose names appear on the Register of Members on Thursday, 10 March 2022.

REVIEW OF OPERATIONS

PRINCIPAL INVESTMENT

The continuing COVID-19 pandemic and effects from government remedial measures, including monetary and fiscal stimuli in many of the world’s major economies, dominated the backdrop to the financial period and equity markets in which we have invested. Whilst major equity markets were buoyed by progressive relaxation of lockdown measures and expectations of a rebounding economy, there remained concerns caused by global supply chains disruptions and increased inflationary pressures. This led to increased expectations of higher interest rates and tapering of quantitative easing. Market sentiment was further worsened by the emergence of the highly transmissible Omicron variant of the COVID-19 virus at the end of November 2021. In short, the volatility of equity markets remained high.

The market breadth, i.e. the number of stocks and sectors that rose, narrowed as global asset prices increased. As an example, five highly valued technology stocks accounted for 31% of the S&P500’s gain in 2021. Meanwhile, value stocks continued to languish. Our Principal Investment portfolio, which was more weighted in value stocks, did not benefit from the market rally in the first half of our fiscal year. Our Principal Investment segment recorded a pre-tax loss for the six months ended 31 December 2021 of HK\$608 million.

The treasury markets also remained volatile in the first half of the financial year. Our treasury team continued to focus on managing the foreign currency risk exposures and liquidity positions of the Group companies to reduce the overall impact.

Significant Investment

As at 31 December 2021, there was no material change to the shareholding and investment costs of the Group’s long term investment in The Bank of East Asia, Limited (“BEA”, listed on the Stock Exchange with Stock Code: 023) from the information disclosed in the 2021 annual report of the Company.

BEA is engaged in the provision of banking and related financial services. The investment in BEA held by the Group accounted for approximately 3.6% of the Group’s total asset value as at 31 December 2021 with a fair value of HK\$4.9 billion. The Group recorded an unrealised loss of HK\$1.4 billion in its fair value reserve and a dividend income of approximately HK\$152 million for the six months ended 31 December 2021.

REVIEW OF OPERATIONS

PRINCIPAL INVESTMENT (cont'd)

Significant Investment (cont'd)

BEA announced that it has earned a profit attributable to owners of the parent of HK\$5,270 million for the year ended 31 December 2021, representing an increase of 45.8%, compared with the HK\$3,614 million earned in 2020. The increase in attributable profit was mainly due to a significant reduction in impairment losses in Mainland China, improved net fee and commission income, and a gain of HK\$902 million on the disposal of BEA Life. As outlined in its 2021 results announcement, digital transformation is part of its long-term strategy. At the front end, it is working to strengthen service channels and improve customer interactions. By implementing straight-through processing and advanced data analytics, BEA would be able to increase the level of service personalization as well as improving its market response time. BEA's Mainland business returned to profit in 2021. Following a sustained effort to upgrade asset quality, BEA China now faces the future with a strong balance sheet, a lower cost structure, a more robust risk culture and enhanced internal controls. BEA made important changes to its international network by sharpening its focus on corporate banking in Singapore, Macau and the UK. Linking Hong Kong and the Mainland with its international network remains a key aspect of BEA's strategy going forward. In late January, BEA announced that it plans to repurchase all of its shares held by Elliott Investment Management and its affiliated entities, subject to approval of shareholders at an Extraordinary General Meeting.

PROPERTY DEVELOPMENT AND INVESTMENT

GuocoLand Limited ("GuocoLand")

For the six months ended 31 December 2021, GuocoLand's revenue and gross profit have increased by more than 40% to S\$452.7 million and S\$140.2 million respectively, as compared to the corresponding period in 2020. This was mainly due to higher progressive recognition of sales from its Singapore residential projects, including Meyer Mansion, Midtown Bay and Midtown Modern, and the sales from Guoco Changfeng City in China during the period. The revenue from GuocoLand's investment properties increased by 3% and revenue from the hotel business grew close to 10%. Gross profit margin remained stable at approximately 30%.

Other income increased by S\$14.2 million mainly due to the higher fair value gain on interest rate hedges. As a result of the appreciation of Chinese Renminbi (RMB) against Singapore dollars during the first half of the financial year, a higher net foreign exchange loss was recorded in other expenses. Meanwhile, the share of profits of associates and joint ventures declined by S\$8.9 million due to the lower profit contribution from EcoWorld International Berhad.

GuocoLand completed the disposal of its Vietnam subsidiaries during the first half, resulting in a net gain of S\$14.3 million. Overall, the profit attributable to equity holders for the six months ended 31 December 2021 increased by 195% to S\$67.5 million as compared to the corresponding period in 2020.

In July 2021, GuocoLand successfully won the tender for a plot of land of 185,899 square feet at Lentor Central, Singapore to develop three 25-storey towers with around 600 residential units and more than 96,000 square feet of commercial, food and beverage and retail spaces. The transit-oriented development is directly connected to the newly opened Lentor MRT station on the Thomson-East Coast Line. When fully operational, the commercial components of the development will be accretive to the investment portfolio and recurrent income.

In Singapore, the prices of non-landed private homes grew consecutively for the seventh quarter, up by 5.4% in the fourth quarter in 2021, and outstripped the 0.7% growth in the third quarter, according to the latest statistics released by the Urban Redevelopment Authority. Higher prices were broad-based, from all regions, and attributable to new launches with higher benchmark prices. The private residential market in Singapore is expected to continue to be healthy, driven principally by demand from owner-occupiers, coupled with low unsold inventory in the market as well as a projection of lower supply from new launches in 2022, due to calibrated land supply in the past two years. While the latest cooling measures may have some impact on the sales momentum, particularly on the number of foreign buyers, a broader economic recovery would help increase demand in general from Singaporeans, particularly those purchasing their first property or those who are upgrading. Demand for Grade A office space in the CBD is expected to remain resilient as the economy recovers and companies prepare for growth.

Average new home prices across the 70 biggest cities in China declined marginally for the fourth consecutive month, contracting by 0.28% month-on-month in December 2021, according to a Reuters analysis of data from the National Bureau of Statistics. This was a reflection of the weak demand which persisted due to credit tightening and restrictive policies in the property sector. Against this backdrop, home prices in Chongqing and Shanghai remained resilient, increasing by 0.3% and 0.4% month-on-month respectively. Home prices rose by 4.2% in Shanghai and 7.9% in Chongqing as compared to a year ago. With recent steps implemented by the Chinese authorities to marginally ease property restrictions, China's housing market is expected to see signs of recovery in homebuyer sentiment, leading to improvement in transaction volumes in this year.

REVIEW OF OPERATIONS

PROPERTY DEVELOPMENT AND INVESTMENT (cont'd)**GuocoLand Limited ("GuocoLand") (cont'd)**

According to the data released by National Property Information Centre, the home price index in Malaysia in the fourth quarter of 2021 dipped by 0.7% year-on-year and 1.9% over the previous quarter, mainly due to the scale back in new launches during the period. Despite the downward pricing pressure, there was a bright spot in the high-end residential properties in Kuala Lumpur. The gradual easing of COVID-19 restrictions and reopening of sales galleries drove the transaction volume up by about 26% quarter-on-quarter. The property market is expected to be on a recovery path on the back of an improving economy, reopening of borders and supportive policies such as the abolishment of the real property gains tax for properties sold after five years. However, the recent floods which affected several states and the Omicron variant of COVID-19 virus could pose downside risks.

HOSPITALITY AND LEISURE**GLH Hotels Group Limited ("GLH")**

GLH, our key hotel operating business unit, recorded a loss after tax for the six months ended 31 December 2021 of GBP22.6 million, compared to a loss of GBP23.3 million for the corresponding period in 2020. Operationally GLH's loss in the current period was significantly less than in the previous corresponding period, as the prior year numbers include an exceptional income from a business interruption insurance claim of GBP14.5 million.

At the start of the financial year, many of GLH's hotels have re-opened following the government restrictions in the UK on the leisure and hospitality industry largely having been lifted since May 2021. From July to November 2021, the occupancy, average room rate and revenue grew consistently as market confidence and demand grew in the United Kingdom ("UK"). However, the occupancy was still well below pre-pandemic levels as international travels continued to be restrained by the ongoing COVID-19 pandemic. GLH constantly reviewed the trading strategy during the period with selective hotels being opened according to market demand to maximise average room rate while some remained closed to contain costs. GLH also focused on delivery of an improved guest experience to uphold service standards. However, since November 2021, the Omicron variant saw rapid infection rates in the UK, resulting in some cancellations and occupancy dropping marginally below the pre-Omicron levels, though in December 2021 average room rate was the highest over the six-month period.

With the lifting of restrictions, support from the UK Government reduced during the first half of the financial year. The 100% business rates holiday ended on 30 June 2021. It was replaced by a relief capped at GBP2.0 million across GLH for the 2021/22 business rates year. The Coronavirus Job Retention Scheme, through which the UK Government supported businesses with furloughed employees, ended on 30 September 2021.

GLH maintained strong operational cost control measures during the period and kept capital expenditure to only essential in nature. The industry-wide recruitment challenge in the UK, brought about by a combination of the pandemic and the exit from the European Union, has resulted in cost inflation and operational challenges. GLH has continued to review its approach to being an employer of choice for UK nationals and overseas nationals alike. A flexible staffing model has been employed, the purpose of which is to channel staff resources into the hotels and departments with the most demand.

Despite the bump in recovery as a result of the Omicron variant, infection cases in the UK have dropped and UK government restrictions have been reduced to their lowest levels since the start of the pandemic. While GLH remains positive on the recovery and long-term strength of the London hotel market, the lack of international arrivals and low occupancy rate will continue to impact on the operations of GLH in the near term.

The Rank Group Plc ("Rank")

Rank's net gaming revenue increased significantly by 88% to GBP333.7 million for the six months ended 31 December 2021 following the reopening of venues since May 2021 which were not subject to any enforced COVID-19 closures as experienced in the corresponding period in 2020. Along with the receipt of GBP83.1 million after the successful conclusion of a longstanding Value Added Tax ("VAT") refund claim with the HM Revenue & Customs, a reversal of previously impaired assets of GBP10.8 million relating to six Grosvenor venues and an additional profit on the disposal of the Blankenberge casino in Belgium in the prior year of GBP3.1 million, Rank returned to profitability and recorded a profit after tax of GBP84.6 million for the six months ended 31 December 2021, compared to a loss after tax of GBP48.6 million in the corresponding period in 2020.

Both the Grosvenor and Enracha venues businesses have performed strongly throughout the first half, providing evidence that the end of the pandemic will see a strong recovery in revenue and profitability. The Mecca venues business has been more severely impacted by the autumn's rise in COVID-19 case numbers, but venue-based bingo remains an attractive social activity and Rank has focused on investing in value for bingo customers as consumers return to indoor hospitality.

REVIEW OF OPERATIONS

HOSPITALITY AND LEISURE (cont'd)

The Rank Group Plc ("Rank") (cont'd)

As a result of the emergence of the Omicron variant, the reintroduction of COVID-19 restrictions together with the increase in consumer caution in regards to indoor hospitality settings negatively impacted trading in November and December. With most COVID-19 restrictions in the UK being removed since late January 2022, Rank expects the trading to recover across the Grosvenor venues, particularly when inbound tourism picks up. For the Mecca venues, Rank expects a slower build as consumer confidence gradually recovers.

The UK facing digital business returned to growth in the first half, strongly supported by omni-channel customer revenues. In early January 2022, Rank successfully migrated the Mecca digital platform onto its RIDE proprietary technology platform. This is a very significant milestone for the UK digital business, Rank Interactive. Rank expects to complete the migration of Grosvenor digital onto RIDE in the summer. Similarly, in the Spanish facing digital business, Rank has migrated the Enracha site onto the Yo Bingo platform and is now well advanced in terms of launching Yo Sports in Spain and introducing the Yo brand to the Portuguese market.

With the return to profitable cash generative trading and the receipt from the VAT refund claim, Rank has opportunities for organic growth investments and the strengthened balance sheet has enabled the acceleration of the Transformation 2.0 programme, with some key investments now again being made in products, properties and systems to improve the quality of the customer proposition. Rank has a strong capital investment programme planned for the second half of the financial year. Rank is well positioned to regain the strong growth momentum it had previously built up as it comes out of the pandemic.

FINANCIAL SERVICES

Hong Leong Financial Group Berhad ("HLFG")

HLFG Group recorded a profit before tax of RM2,376.0 million for the six months ended 31 December 2021 as compared to RM1,955.0 million in the corresponding period in 2020, an increase of RM421.0 million or 21.5%. The increase in profit was mainly attributed to higher contribution from the commercial banking and insurance divisions, partly offset by lower contribution from the investment and stockbroking divisions.

Hong Leong Bank Group recorded a profit before tax of RM2,118.6 million for the six months ended 31 December 2021 as compared to RM1,705.5 million in the corresponding period in 2020, an increase of RM413.1 million or 24.2%. The increase was mainly contributed by a decrease in allowance for impairment losses on loans, advances and financing by RM263.2 million and an increase in share of profit from associated companies by RM134.3 million.

HLA Holdings Group recorded a profit before tax of RM217.0 million for the six months ended 31 December 2021 as compared to RM192.7 million in the corresponding period in 2020, an increase of RM24.3 million or 12.6%. The higher profit came mainly from an increase in life fund surplus by RM48.6 million and a decline in operating expenses by RM5.9 million. The profit growth, however, was offset by a decline in revenue by RM34.2 million.

Hong Leong Capital Group recorded a profit before tax of RM58.2 million for the six months ended 31 December 2021 as compared to RM106.1 million in the corresponding period in 2020, a decrease of RM47.9 million or 45.1%. This was mainly a result of lower contributions from the investment banking and stockbroking divisions.

OTHERS

The Group's wholly owned Manuka honey product producer and distributor, Manuka Health New Zealand Limited ("MHNZ"), continues to build on its brand position in key markets combating the ongoing impact of COVID-19 which reduced shopper traffic in many markets and tourism in Asia Pacific. Leveraging on the strong base, MHNZ is focusing on growing its direct-to-consumer model and strengthening its position in key markets.

Revenue from the oil and gas segment saw an increase during the period due to higher average crude oil and gas prices as well as higher gas production.

REVIEW OF OPERATIONS

GROUP FINANCIAL COMMENTARY**Capital Management**

The consolidated total equity attributable to shareholders of the Company as at 31 December 2021 amounted to HK\$58.3 billion. Net debt, being total bank loans and other borrowings less cash and short term funds as well as trading financial assets, amounted to HK\$18.1 billion. The equity-debt ratio was 76:24 as at 31 December 2021.

Liquidity and Financial Resources

The Group's total cash and short term funds as well as trading financial assets were mostly denominated in HKD (24%), USD (18%), SGD (16%), RMB (14%), GBP (12%), and EUR (6%) as at 31 December 2021.

The Group's total bank loans and other borrowings amounted to HK\$41.4 billion as at 31 December 2021, and were mostly denominated in SGD (69%), RMB (8%), GBP (7%), HKD (7%), MYR (4%) and USD (4%). The Group has borrowings of HK\$6.7 billion payable within 1 year or on demand.

Certain of the Group's bank loans and other borrowings are secured by pledges of various properties, fixed assets, trading financial assets and bank deposits with an aggregate book value of HK\$50.0 billion as at 31 December 2021.

Committed borrowing facilities available to the Group and not yet drawn as at 31 December 2021 amounted to approximately HK\$14.3 billion.

Interest Rate Exposure

The Group's interest rate risk arises from treasury activities and borrowings. The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. The Group uses interest rate contracts to manage its interest rate exposure when considered appropriate.

As at 31 December 2021, approximately 83% of the Group's bank loans and other borrowings carried interest at floating rates and the remaining 17% carried interest at fixed rates. The Group had outstanding interest rate contracts with a notional amount of HK\$10.8 billion.

Foreign Currency Exposure

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

As at 31 December 2021, there were outstanding foreign exchange contracts with a total notional amount of HK\$19.1 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 31 December 2021, the Group had around 10,160 staff. The Group continued to seek an optimal workforce. It is committed to providing its staff with ongoing development programmes to enhance productivity and work quality.

The remuneration policy for the Group's employees is reviewed on a regular basis. Remuneration packages are structured to take into account the level and composition of pay and general 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. The total staff costs of the Group for the six months ended 31 December 2021 amounted to HK\$1,327 million.

GROUP OUTLOOK

Although the pandemic continues into a third year, the world is now much better equipped to fight the virus and its variants with efficacious vaccines and prophylactic treatments. Despite this challenge weighing on world economies, global asset prices in major markets have increased at a good pace in each of the last three years, courtesy of easy monetary policies and stimulative fiscal policies as well as forward expectations of rebounding economies. However, lurking on the horizon are heightened concerns of persistent inflation, a slowdown in corporate earnings growth, and an expected termination of these accommodative policies amidst rising geo-political uncertainties. Asset prices may be poised to enter a period of more moderate returns but with COVID-19 persisting, volatility remains. We shall maintain a cautious investment approach in our Principal Investment activities.

Looking forward, with COVID-19 restrictions being progressively removed in most key operating markets, in particular the UK, we expect trading to continue to recover across our operating business segments.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries, purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2021.

CORPORATE GOVERNANCE

CODE ON CORPORATE GOVERNANCE PRACTICES

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

During the period, the Company has complied with the HKEX Code which was in force during the relevant time, save that non-executive directors are not appointed for a specific term. However, they are subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Bye-Laws of the Company and the CGP Code. As such, the Company considers that such provisions are sufficient to meet the intent of the relevant provisions of the HKEX Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

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

OTHER INFORMATION

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

As at 31 December 2021, 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 pursuant to the Model Code were disclosed as follows in accordance with the Listing Rules:

(A) The Company

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

* Ordinary shares

(B) Associated Corporations**(a) GuoLine Capital Assets Limited**

Director	Number of *shares (Long Position)		Approx. % of total number of shares in issue
	Personal interests	Total interests	
KWEK Leng Hai	841,000	841,000	2.62%
KWEK Leng San	321,790	321,790	1.00%

* Ordinary shares

(b) GuocoLand Limited

Director	Number of *shares (Long Position)		Approx. % of total number of shares in issue
	Personal interests	Total interests	
KWEK Leng Hai	35,290,914	35,290,914	2.98%

* Ordinary shares

OTHER INFORMATION

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

(B) Associated Corporations (cont' d)

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

Director	Number of *shares/ underlying shares (Long Position)		Approx. % of total number of shares in issue	
	Personal interests	Total interests		
KWEK Leng Hai	2,526,000	2,526,000	0.22%	
CHEW Seong Aun	93,842	93,842	0.00%	Note
KWEK Leng San	654,000	654,000	0.06%	

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 93,842 shares/underlying shares comprised 31,281 ordinary shares of HLFG and a share grant of 62,561 underlying shares of HLFG which shall be vested in 2 tranches on 24 November 2022 and 24 November 2023.

(d) GuocoLand (Malaysia) Berhad

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

* Ordinary shares

(e) The Rank Group Plc

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

* Ordinary shares

OTHER INFORMATION

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

(f) Lam Soon (Hong Kong) Limited

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

* Ordinary shares

Save as disclosed above, as at 31 December 2021, none of the Directors had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

UPDATE ON DIRECTORS' INFORMATION

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

1. Mr. CHEW Seong Aun

- resigned as the chairman of the board of directors of Hong Leong Asset Management Berhad with effect from 18 October 2021.

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

- re-designated as the Chairman of the Board Remuneration Committee of the Company with effect from the conclusion of the annual general meeting of the Company held on 8 November 2021;
- appointed as an independent non-executive director of Top Glove Corporation Bhd. (listed on the Bursa Malaysia and the Singapore Exchange Securities Trading Limited) with effect from 7 January 2022;
- resigned as non-executive director of the Hong Kong Securities and Futures Commission (the "SFC") with effect from 15 November 2021; and
- resigned as chairman and director of the Investor and Financial Education Council (a subsidiary of the SFC) with effect from 15 November 2021.

3. Mr. Paul Jeremy BROUGH

- ceased to be an associate member of the Hong Kong Securities and Investment Institute.

OTHER INFORMATION

SHARE OPTIONS

The Company

Executive Share Option Scheme 2012 (the “ESOS”)

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

No option had ever been granted pursuant to the ESOS since its adoption and up to 31 December 2021.

GuocoLand Limited (“GuocoLand”)

GuocoLand Limited Executive Share Scheme 2018 (the “GuocoLand ESS”)

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

No option had ever been granted pursuant to the GuocoLand ESS since its adoption and up to 31 December 2021.

GuocoLand (Malaysia) Berhad (“GLM”)

Executive Share Scheme (the “GLM ESS”)

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

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

OTHER INFORMATION

SHARE OPTIONS (cont' d)**GuocoLand (Malaysia) Berhad ("GLM") (cont' d)**

Executive Share Scheme (the "GLM ESS") (cont' d)

Details of the options outstanding under the GLM ESS during the six months ended 31 December 2021 are as follows:

Grantees	Date of grant	No. of GLM shares comprised in options			As at 31 Dec 2021	Notes	Exercise price per GLM share	
		As at 1 Jul 2021	Granted during the six months	Exercised during the six months				Lapsed during the six months
Eligible Participants	11 December 2017	3,000,000	-	-	3,000,000	0	1 & 2	RM1.16
		3,000,000	-	-	3,000,000	0		

Notes:

1. The board of directors of GLM resolved that the exercise of the options in respect of all the 3,000,000 GLM shares would be satisfied by the transfer of existing GLM shares. Such options are not subject to Chapter 17 of the Listing Rules.
2. The vesting of the options granted is subject to the achievement of certain performance criteria by the grantees over two performance periods concluding in the financial years ended 30 June 2019 and 30 June 2021 respectively. The exercise period of the vested options will be up to the 30th month from the respective vesting dates to be determined. No options were cancelled but all options lapsed during the six months ended 31 December 2021.

The Rank Group Plc ("Rank")

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

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

No option had ever been granted pursuant to the Rank LTIP since its adoption and up to 31 December 2021.

OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2021, the persons who had interests or short positions in the shares and underlying shares of 5% or more in the Company's issued share capital as recorded in the register maintained by the Company under Section 336 of the SFO are as follows:

Shareholders	Capacity	Number of shares/ underlying shares	Note(s)	Approx. % of total number of shares in issue
QUEK Leng Chan ("QLC")	Personal interests	1,056,325 (Long Position)	1	76.06%
	Interest of controlled corporations	249,225,792 (Long Position)		
	Total interests	250,282,117		
GuoLine Capital Assets Limited ("GCAL")	Interest of controlled corporations	248,625,792 (Long Position)	2 & 3	75.55%
Hong Leong Investment Holdings Pte. Ltd. ("HLInv")	Interest of controlled corporations	248,625,792 (Long Position)	3 & 4	75.55%
Davos Investment Holdings Private Limited ("Davos")	Interest of controlled corporations	248,625,792 (Long Position)	3 & 5	75.55%
KWEK Leng Kee ("KLK")	Interest of controlled corporations	248,625,792 (Long Position)	3 & 6	75.55%
Elliott Investment Management GP LLC ("EIM")	Investment manager	31,998,716 (Long Position)	7	9.72%
Elliott International Special GP, LLC ("EIS")	Interest of controlled corporations	21,759,127 (Long Position)	8	6.61%
First Eagle Investment Management, LLC ("FEIM")	Investment manager	26,238,046 (Long Position)	9	7.97%

OTHER INFORMATION

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

Notes:

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

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

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

- The interests of GCAL comprised 240,351,792 ordinary shares of the Company and 8,274,000 underlying shares of other unlisted cash settled derivatives, and were directly held by GOL, GSL and AFCW as set out in Note 1 above.
- The interests of GCAL, HLIInv, Davos and KLK are duplicated.
- HLIInv was deemed to be interested in these interests through its controlling interests of 34.49% in GCAL.
- Davos was deemed to be interested in these interests through its controlling interests of 33.59% in HLIInv.
- KLK was deemed to be interested in these interests through his controlling interests of 41.92% in Davos.
- EIM was deemed to be interested in these interests comprising 21,759,127 shares held by Elliott International, L.P. ("EILP") and 10,239,589 shares held by The Liverpool Limited Partnership ("LLP"). EIM controls 100% of Elliott Investment Management L.P. which has investment discretion with respect to all those shares.
- EIS was deemed to be interested in these interests comprising 21,759,127 shares held by EILP. EILP was 100% controlled by Hambleton, Inc. which in turn was controlled by EIS for these purposes.
- 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 31 December 2021, 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 the Part XV of the SFO or as recorded in the register maintained by the Company under Section 336 of the SFO.

CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2021 – Unaudited

	Note	2021 US\$'000	2020 US\$'000	2021 HK\$'000 (Note 22)	2020 HK\$'000 (Note 22)
Turnover	3 & 4	1,033,878	776,111	8,060,733	6,015,714
Revenue	3 & 4	943,697	590,958	7,357,628	4,580,575
Cost of sales		(562,361)	(356,998)	(4,384,504)	(2,767,127)
Other attributable costs		(33,518)	(32,241)	(261,326)	(249,903)
		347,818	201,719	2,711,798	1,563,545
Other revenue	5(a)	142,949	78,573	1,114,516	609,027
Other net (losses)/income	5(b)	(85,405)	77,176	(665,869)	598,199
Administrative and other operating expenses		(230,929)	(256,432)	(1,800,461)	(1,987,630)
Profit from operations before finance costs		174,433	101,036	1,359,984	783,141
Finance costs	3(b) & 6(a)	(66,898)	(68,715)	(521,577)	(532,617)
Profit from operations		107,535	32,321	838,407	250,524
Share of profits of associates and joint ventures		71,894	73,572	560,529	570,264
Profit for the period before taxation	3 & 6	179,429	105,893	1,398,936	820,788
Tax expenses	7	(28,955)	(12,523)	(225,751)	(97,067)
Profit for the period		150,474	93,370	1,173,185	723,721
Attributable to:					
Equity shareholders of the Company		78,991	130,422	615,861	1,010,915
Non-controlling interests		71,483	(37,052)	557,324	(287,194)
Profit for the period		150,474	93,370	1,173,185	723,721
		US\$	US\$	HK\$	HK\$
Earnings per share					
Basic	9	0.24	0.40	1.89	3.11
Diluted	9	0.24	0.40	1.89	3.11

The notes on pages 23 to 40 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company attributable to the profit for the period are set out in note 8.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2021 – Unaudited

	2021 US\$'000	2020 US\$'000	2021 HK\$'000 (Note 22)	2020 HK\$'000 (Note 22)
Profit for the period	150,474	93,370	1,173,185	723,721
Other comprehensive income for the period (after tax and reclassification adjustments)				
Items that will not be reclassified to profit or loss:				
Equity investments at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserve (non-recycling)	(182,410)	(6,558)	(1,422,178)	(50,832)
Actuarial gains on defined benefit obligation	–	153	–	1,186
	(182,410)	(6,405)	(1,422,178)	(49,646)
Items that may be reclassified subsequently to profit or loss:				
Exchange translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	(37,627)	504,600	(293,363)	3,911,205
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries	(327)	–	(2,549)	–
Changes in fair value of cash flow hedge	3,961	(2,570)	30,882	(19,920)
Changes in fair value on net investment hedge	(4,292)	(8,004)	(33,463)	(62,040)
Share of other comprehensive income of associates	(12,106)	2,937	(94,386)	22,765
	(50,391)	496,963	(392,879)	3,852,010
Other comprehensive income for the period, net of tax	(232,801)	490,558	(1,815,057)	3,802,364
Total comprehensive income for the period	(82,327)	583,928	(641,872)	4,526,085
Total comprehensive income for the period attributable to:				
Equity shareholders of the Company	(146,981)	453,088	(1,145,953)	3,511,931
Non-controlling interests	64,654	130,840	504,081	1,014,154
	(82,327)	583,928	(641,872)	4,526,085

The notes on pages 23 to 40 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

		At 31 December 2021 (Unaudited) US\$'000	At 30 June 2021 (Audited) US\$'000	At 31 December 2021 (Unaudited) HK\$'000 (Note 22)	At 30 June 2021 (Audited) HK\$'000 (Note 22)
	Note				
NON-CURRENT ASSETS					
Investment properties		4,046,755	3,865,128	31,550,930	30,011,173
Other property, plant and equipment	10	1,667,368	1,720,076	12,999,802	13,355,702
Right-of-use assets		753,614	770,594	5,875,627	5,983,354
Interests in associates and joint ventures		1,804,415	1,773,329	14,068,302	13,769,190
Equity investments at FVOCI	11	798,536	1,004,303	6,225,866	7,798,011
Deferred tax assets		126,882	102,957	989,248	799,420
Intangible assets		1,018,417	1,048,216	7,940,190	8,138,978
Goodwill		396,730	406,667	3,093,145	3,157,607
Pensions surplus		6,395	6,641	49,859	51,565
		10,619,112	10,697,911	82,792,969	83,065,000
CURRENT ASSETS					
Development properties	12	2,983,891	2,528,806	23,264,205	19,635,167
Properties held for sale		238,159	290,654	1,856,830	2,256,812
Inventories		65,661	71,582	511,933	555,806
Contract assets		191,229	370,615	1,490,936	2,877,677
Trade and other receivables	13	220,713	203,171	1,720,811	1,577,542
Tax recoverable		3,834	15,055	29,892	116,896
Trading financial assets		1,183,012	1,326,203	9,223,471	10,297,436
Cash and short term funds		1,810,200	1,448,960	14,113,405	11,250,595
Assets held for sale		-	15,508	-	120,413
		6,696,699	6,270,554	52,211,483	48,688,344
CURRENT LIABILITIES					
Contract liabilities		107,100	72,477	835,016	562,755
Trade and other payables	14	606,690	617,716	4,730,119	4,796,317
Bank loans and other borrowings	15	857,050	1,112,847	6,682,076	8,640,812
Taxation		27,913	25,919	217,626	201,251
Provisions and other liabilities		21,087	21,475	164,407	166,745
Lease liabilities		69,842	76,594	544,530	594,722
Liabilities held for sale		-	1,881	-	14,605
		1,689,682	1,928,909	13,173,774	14,977,207
NET CURRENT ASSETS					
		5,007,017	4,341,645	39,037,709	33,711,137
TOTAL ASSETS LESS CURRENT LIABILITIES					
		15,626,129	15,039,556	121,830,678	116,776,137

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	Note	At 31 December 2021 (Unaudited) US\$'000	At 30 June 2021 (Audited) US\$'000	At 31 December 2021 (Unaudited) HK\$'000 (Note 22)	At 30 June 2021 (Audited) HK\$'000 (Note 22)
NON-CURRENT LIABILITIES					
Bank loans and other borrowings	15	4,452,316	3,666,157	34,712,927	28,466,243
Amount due to non-controlling interests		344,171	345,468	2,683,364	2,682,421
Provisions and other liabilities		29,464	30,512	229,719	236,913
Deferred tax liabilities		76,415	66,641	595,777	517,441
Lease liabilities		974,230	1,014,788	7,595,682	7,879,423
		5,876,596	5,123,566	45,817,469	39,782,441
NET ASSETS					
		9,749,533	9,915,990	76,013,209	76,993,696
CAPITAL AND RESERVES					
Share capital	16	164,526	164,526	1,282,743	1,277,479
Reserves		7,318,506	7,534,939	57,059,464	58,505,787
Total equity attributable to equity shareholders of the Company		7,483,032	7,699,465	58,342,207	59,783,266
Non-controlling interests		2,266,501	2,216,525	17,671,002	17,210,430
TOTAL EQUITY		9,749,533	9,915,990	76,013,209	76,993,696

The notes on pages 23 to 40 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2021 – Unaudited

	Attributable to equity shareholders of the Company												Non-controlling interests	Total equity
	Share capital	Share premium	Capital and other reserves	Contributed surplus	ESOS reserve	Share option reserve	Exchange translation reserve	Fair value reserve	Hedging reserve	Revaluation reserve	Retained profits	Total		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 July 2021	164,526	10,493	(79,927)	2,806	(39,017)	(225)	(262,607)	(566,016)	(8,620)	46,692	8,431,360	7,699,465	2,216,525	9,915,990
Profit for the period	-	-	-	-	-	-	-	-	-	-	78,991	78,991	71,483	150,474
Exchange translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	-	(31,459)	-	-	-	-	(31,459)	(6,168)	(37,627)
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries	-	-	-	-	-	-	(188)	-	-	-	-	(188)	(139)	(327)
Changes in fair value of cash flow hedge	-	-	-	-	-	-	-	-	3,060	-	-	3,060	901	3,961
Changes in fair values of equity investments at FVOCI	-	-	-	-	-	-	-	(182,410)	-	-	-	(182,410)	-	(182,410)
Changes in fair value on net investment hedge	-	-	-	-	-	-	-	-	(2,869)	-	-	(2,869)	(1,423)	(4,292)
Transfer upon disposal of equity investments at FVOCI	-	-	-	-	-	-	-	(16,020)	-	-	16,020	-	-	-
Share of other comprehensive income of associates	-	-	(1,828)	-	-	-	4,665	(16,293)	178	-	1,172	(12,106)	-	(12,106)
Total comprehensive income for the period	-	-	(1,828)	-	-	-	(26,982)	(214,723)	369	-	96,183	(146,981)	64,654	(82,327)
Transfer between reserves	-	-	4,255	-	-	-	-	-	-	-	(4,255)	-	-	-
Equity-settled share-based transactions	-	-	-	-	-	200	-	-	-	-	-	200	184	384
Distribution payment for perpetual securities	-	-	-	-	-	-	-	-	-	-	-	-	(6,759)	(6,759)
Accrued distribution for perpetual securities	-	-	-	-	-	-	-	-	-	-	(7,090)	(7,090)	7,090	-
Dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(15,193)	(15,193)
Final dividend paid in respect of the prior year	-	-	-	-	-	-	-	-	-	-	(62,562)	(62,562)	-	(62,562)
At 31 December 2021	164,526	10,493	(77,500)	2,806	(39,017)	(25)	(289,589)	(780,739)	(8,251)	46,692	8,453,636	7,483,032	2,266,501	9,749,533

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 December 2021 – Unaudited

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

The notes on pages 23 to 40 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2021 – Unaudited

	2021 US\$'000	2020 US\$'000
Net cash generated from operating activities	194,573	242,626
Net cash (used in)/generated from investing activities	(34,695)	174,005
Net cash generated from/(used in) financing activities	326,165	(410,461)
Net increase in cash and cash equivalents	486,043	6,170
Cash and cash equivalents at 1 July	1,324,589	1,598,247
Effect of foreign exchange rate changes	(17,855)	47,379
Cash and cash equivalents at 31 December	1,792,777	1,651,796
Analysis of the balances of cash and cash equivalents		
Cash and short term funds in the consolidated statement of financial position	1,810,200	1,672,549
Cash collaterals	(17,423)	(7,258)
Bank overdraft	-	(13,495)
Cash and cash equivalents in the condensed consolidated statement of cash flows	1,792,777	1,651,796

The notes on pages 23 to 40 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim financial reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2020/21 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021/22 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020/21 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report is unaudited. The financial information relating to the financial year ended 30 June 2021 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 30 June 2021 can be obtained on request at the Group Company Secretariat, 50/F., The Center, 99 Queen’s Road Central, Hong Kong, or from the Company’s website <http://www.guoco.com>. The auditors expressed an unqualified opinion on those financial statements in their report dated 16 September 2021.

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 – Interest Rate Benchmark Reform – Phase 2
- Amendment to HKFRS 16 – COVID 19 – Related Rent Concessions beyond 30 June 2021

None of the amendments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

3. SEGMENT REPORTING

In a manner consistent with the way in which information is reported internally to the Group's senior executive management, the Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units engage in different business activities, offer different products and services and are managed separately. The following summary describes the operations in each segment:

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

Other segments include royalty entitlement of Bass Strait's oil and gas production and manufacture, marketing and distribution of health products. None of these segments meets any of the quantitative thresholds for determining reportable segments in the six months ended 31 December 2021 or 2020.

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 2020/21.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

3. SEGMENT REPORTING (cont'd)

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

(a) Reportable segment revenue and profit or loss (unaudited)

	Principal investment US\$'000	Property development and investment US\$'000	Hospitality and leisure US\$'000	Financial services US\$'000	Others US\$'000	Total US\$'000
For the six months ended 31 December 2021						
Turnover	126,774	341,099	527,020	-	38,985	1,033,878
Disaggregated by timing of revenue						
- Point in time	36,593	219,818	527,020	-	38,985	822,416
- Over time	-	121,281	-	-	-	121,281
Revenue from external customers	36,593	341,099	527,020	-	38,985	943,697
Inter-segment revenue	1,411	1,125	-	-	-	2,536
Reportable segment revenue	38,004	342,224	527,020	-	38,985	946,233
Reportable segment operating (loss)/profit	(74,452)	106,918	130,748	-	12,591	175,805
Finance costs	(3,550)	(25,967)	(37,699)	-	(1,054)	(68,270)
Share of (losses)/profits of associates and joint ventures	-	(803)	-	72,697	-	71,894
(Loss)/profit before taxation	(78,002)	80,148	93,049	72,697	11,537	179,429
For the six months ended 31 December 2020						
Turnover	239,319	243,257	253,360	-	40,175	776,111
Disaggregated by timing of revenue						
- Point in time	54,166	70,741	253,360	-	40,175	418,442
- Over time	-	172,516	-	-	-	172,516
Revenue from external customers	54,166	243,257	253,360	-	40,175	590,958
Inter-segment revenue	834	1,124	-	-	-	1,958
Reportable segment revenue	55,000	244,381	253,360	-	40,175	592,916
Reportable segment operating profit/(loss)	106,294	69,374	(82,734)	-	8,897	101,831
Finance costs	(4,422)	(27,735)	(35,920)	-	(1,433)	(69,510)
Share of profits of associates and joint ventures	-	5,178	-	68,394	-	73,572
Profit/(loss) before taxation	101,872	46,817	(118,654)	68,394	7,464	105,893

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

3. SEGMENT REPORTING (cont'd)

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

Revenue

	Six months ended 31 December 2021 US\$'000	2020 US\$'000
Reportable segment revenue	946,233	592,916
Elimination of inter-segment revenue	(2,536)	(1,958)
Consolidated revenue (Note 4)	943,697	590,958

Finance costs

	Six months ended 31 December 2021 US\$'000	2020 US\$'000
Reportable finance costs	68,270	69,510
Elimination of inter-segment finance costs	(1,372)	(795)
Consolidated finance costs (Note 6(a))	66,898	68,715

4. TURNOVER AND REVENUE

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

	Six months ended 31 December 2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Revenue from sale of properties	285,334	188,096
Revenue from hospitality and leisure	526,425	252,872
Interest income	8,192	8,602
Dividend income	35,559	52,031
Rental income from properties	44,330	43,545
Revenue from sales of goods	38,949	40,174
Others	4,908	5,638
Revenue	943,697	590,958
Proceeds from sale of investments in securities	90,181	185,153
Turnover	1,033,878	776,111

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

	Six months ended 31 December	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Sublease income	3,558	2,491
Bass Strait oil and gas royalty	16,977	10,053
Hotel management fee	229	54
Income from forfeiture of deposit from sale of properties	4,139	1,030
Government grants	4,474	45,674
Refund on value-added tax claim and related interest	112,805	-
Hotel business interruption insurance claim	-	19,101
Others	767	170
	142,949	78,573

(b) Other net (losses)/income

	Six months ended 31 December	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Net realised and unrealised (losses)/gains on trading financial assets	(104,014)	60,868
Net realised and unrealised gains on derivative financial instruments	9,238	4,991
Net losses on foreign exchange contracts	(5,343)	(7,340)
Other exchange (losses)/gains	(5,168)	11,020
Net gains on disposal of property, plant and equipment	8	-
Gain on disposal of subsidiaries	12,670	-
Gain on disposal of an investment property	-	5,054
Other net income	7,204	2,583
	(85,405)	77,176

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

6. PROFIT FOR THE PERIOD BEFORE TAXATION

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

(a) Finance costs

	Six months ended 31 December	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Interest on bank loans and other borrowings	73,533	72,812
Interest on lease liabilities	24,797	24,499
Other borrowing costs	1,916	3,194
Total borrowing costs	100,246	100,505
Less: borrowing costs capitalised into:		
- development properties	(17,473)	(14,784)
- investment properties	(15,875)	(17,006)
Total borrowing costs capitalised (note)	(33,348)	(31,790)
	66,898	68,715

Note:

These borrowing costs have been capitalised at rates of 1.06% to 7.20% per annum (2020: 1.01% to 5.00%).

(b) Staff cost

	Six months ended 31 December	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Salaries, wages and other benefits	161,739	169,571
Contributions to defined contribution retirement plans	8,189	5,754
Expenses recognised in respect of defined benefit retirement plans	-	87
Equity-settled share-based payment expenses	299	2,356
	170,227	177,768

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

	Six months ended 31 December	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Depreciation		
– other property, plant and equipment	38,612	37,419
– right-of-use assets	24,513	21,385
Impairment losses reversed (note)		
– other property, plant and equipment	(722)	–
– intangible assets	(12,619)	–
– right-of-use assets	(1,502)	–
Amortisation		
– customer relationship, licences and brand names	6,908	6,813
– casino licences and brand names	43	118
– Bass Strait oil and gas royalty	1,569	1,571
– other intangible assets	15,979	14,934
Gross rental income from investment properties	(44,330)	(43,545)
Less: direct outgoings	10,875	10,918
Net rental income	(33,455)	(32,627)

Note:

During the six months ended 31 December 2021, the Group recognised a reversal of previous assets impairment of US\$14.8 million (2020: nil) relating to six casino venues. This follows the business transformation completed in 2020 and the reopening of venues since May 2021, which has contributed to an improved current result and forecast outlook for the venues identified.

7. TAX EXPENSES

Taxation in the consolidated income statement represents:

	Six months ended 31 December	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Current tax – Hong Kong Profits Tax	240	223
Current tax – Overseas	43,164	35,802
Deferred tax	(14,449)	(23,502)
	28,955	12,523

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2020: 16.5%) to the profits for the six months ended 31 December 2021. Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant countries.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. DIVIDENDS

	Six months ended 31 December 2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Dividends payable/paid in respect of the current year:		
– Interim dividend declared of HK\$0.50 (2020: HK\$0.50) per ordinary share	21,102	21,226
Dividends paid in respect of the prior year:		
– Final dividend of HK\$1.50 (2020: HK\$1.50) per ordinary share	63,307	63,678

The interim dividend declared for the year ending 30 June 2022 of US\$21,102,000 (2021: US\$21,226,000) is calculated based on 329,051,373 ordinary shares (2020: 329,051,373 ordinary shares) in issue as at 31 December 2021.

The interim dividend declared after the interim period has not been recognised as a liability at the end of the interim reporting period in the accounts.

9. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profits attributable to equity shareholders of the Company of US\$78,991,000 (2020: US\$130,422,000) and the weighted average number of 325,224,511 ordinary shares (2020: 325,224,511 ordinary shares) in issue during the period.

(b) Diluted earnings per share

For the six months ended 31 December 2021 and 2020, the diluted earnings per share equalled the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the periods.

10. OTHER PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2021, the Group acquired items of property, plant and equipment with a cost of US\$15,849,000 (2020: US\$10,275,000). The Group disposed of items of property, plant and equipment with a net book value of US\$186,000 (2020: US\$1,047,000) during the six months ended 31 December 2021.

11. EQUITY INVESTMENTS AT FVOCI

During the six months ended 31 December 2021, the Group disposed an equity investment at FVOCI with a fair value of US\$22,774,000 (2020: US\$8,015,000) as this investment no longer suited the Group's investment strategy. The gain on disposal of US\$16,020,000 (2020: US\$3,156,000) which had already been included in other comprehensive income was transferred to retained profits.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

12. DEVELOPMENT PROPERTIES

	At 31 December 2021 (Unaudited) US\$'000	At 30 June 2021 (Audited) US\$'000
Cost	4,159,880	3,552,041
Less: Progress instalments received and receivable	(1,140,325)	(987,550)
Write down of development properties	(35,664)	(35,685)
	2,983,891	2,528,806

13. TRADE AND OTHER RECEIVABLES

	At 31 December 2021 (Unaudited) US\$'000	At 30 June 2021 (Audited) US\$'000
Trade debtors	107,665	58,824
Other receivables, deposits and prepayments	100,165	130,766
Derivative financial instruments, at fair value	11,583	13,343
Interest receivables	1,300	238
	220,713	203,171

Included in the Group's trade and other receivables is US\$9.0 million (30 June 2021: US\$9.0 million) which is expected to be recovered after one year.

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

	At 31 December 2021 (Unaudited) US\$'000	At 30 June 2021 (Audited) US\$'000
Within 1 month	100,840	51,948
1 to 3 months	3,142	1,730
More than 3 months	3,683	5,146
	107,665	58,824

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

14. TRADE AND OTHER PAYABLES

	At 31 December 2021 (Unaudited) US\$'000	At 30 June 2021 (Audited) US\$'000
Trade creditors	87,121	82,891
Other payables and accrued operating expenses	470,036	474,784
Derivative financial instruments, at fair value	47,029	56,466
Amounts due to fellow subsidiaries	2,471	3,543
Amounts due to associates and joint ventures	33	32
	606,690	617,716

Included in trade and other payables is US\$71.0 million (30 June 2021: US\$141.0 million) which is expected to be payable after one year.

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

	At 31 December 2021 (Unaudited) US\$'000	At 30 June 2021 (Audited) US\$'000
Within 1 month	62,612	56,908
1 to 3 months	13,079	17,100
More than 3 months	11,430	8,883
	87,121	82,891

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

15. BANK LOANS AND OTHER BORROWINGS

	At 31 December 2021 (Unaudited)			At 30 June 2021 (Audited)		
	Current portion US\$'000	Non-current portion US\$'000	Total US\$'000	Current portion US\$'000	Non-current portion US\$'000	Total US\$'000
Bank loans						
– Secured	171,570	3,215,331	3,386,901	155,920	2,861,975	3,017,895
– Unsecured	347,124	742,174	1,089,298	616,075	529,528	1,145,603
	518,694	3,957,505	4,476,199	771,995	3,391,503	4,163,498
Other loans						
– Unsecured	-	-	-	-	157	157
	-	-	-	-	157	157
Unsecured medium term notes and bonds	263,040	494,811	757,851	263,322	274,497	537,819
Secured mortgage debenture stock	75,316	-	75,316	77,530	-	77,530
	857,050	4,452,316	5,309,366	1,112,847	3,666,157	4,779,004

16. SHARE CAPITAL

	At 31 December 2021 (Unaudited)		At 30 June 2021 (Audited)	
	No. of shares '000	US\$'000	No. of shares '000	US\$'000
Authorised:				
Ordinary shares of US\$0.50 each	800,000	400,000	800,000	400,000
Issued and fully paid	329,051	164,526	329,051	164,526

Note:

As at 31 December 2021, 3,826,862 (30 June 2021: 3,826,862) ordinary shares were acquired by the Group to reserve for the executive share option scheme for the purpose of satisfying the exercise of share options to be granted to eligible employees.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

17. DISPOSAL OF SUBSIDIARIES

The Group entered into an agreement to dispose of its two subsidiaries in Vietnam for a consideration of US\$27.3 million in October 2020. The assets and liabilities of those subsidiaries were recorded as assets and liabilities held for sale as at 30 June 2021. The disposal was completed in July 2021.

The cash flows and net assets relating to the subsidiaries disposed of are summarised as follows:

	Six months ended 31 December 2021 (Unaudited) US\$'000
Net assets disposed of: (Classified as assets and liabilities held for sale as at 30 June 2021)	
Other property, plant and equipment	2
Development properties	5,153
Trade and other receivables	2,139
Cash and short term funds	8,214
Trade and other payables	(1,881)
Net assets disposed of	13,627
Add: Non-controlling interests	76
Reclassification of exchange translation reserve upon disposal of subsidiaries	152
Disposal costs	166
Gain on disposal of subsidiaries	13,313
Sales consideration	27,334
Disposal costs paid	(166)
Cash and short term funds of the subsidiaries disposed of	(8,214)
Net cash inflow in respect of disposal of subsidiaries	18,954

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

17. DISPOSAL OF SUBSIDIARIES (cont'd)

On 14 September 2021, the Group disposed of its investment in a subsidiary, Shanghai Xinhaozhong Holding Co., Ltd for a consideration of RMB7.4 million (approximately US\$1.1 million).

The cash flows and net assets relating to the subsidiary disposed of are summarised as follows:

	Six months ended 31 December 2021 (Unaudited) US\$'000
Net assets disposed of:	
Properties held for sale	2,645
Cash and short term funds	239
Taxation	(546)
Net assets disposed of	2,338
Less: Non-controlling interests	(215)
Reclassification of exchange translation reserve upon disposal of subsidiary	(340)
Loss on disposal of subsidiary	(643)
Sales consideration	1,140
Cash and short term funds of the subsidiary disposed of	(239)
Net cash inflow in respect of disposal of subsidiary	901

18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**(a) Financial assets and liabilities measured at fair value**

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

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

(a) Financial assets and liabilities measured at fair value (cont'd)

	At 31 December 2021 (Unaudited)				At 30 June 2021 (Audited)			
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Recurring fair value measurements								
Assets								
Equity investments at FVOCI:								
- Listed	689,309	-	-	689,309	898,051	-	-	898,051
- Unlisted	-	45,828	63,399	109,227	-	46,017	60,235	106,252
Trading financial assets:								
- Listed	1,183,012	-	-	1,183,012	1,326,203	-	-	1,326,203
Derivative financial instruments:								
- Forward exchange contracts	-	6,901	-	6,901	-	8,492	-	8,492
- Equity swaps	-	4,682	-	4,682	-	4,851	-	4,851
	1,872,321	57,411	63,399	1,993,131	2,224,254	59,360	60,235	2,343,849
Liabilities								
Derivative financial instruments:								
- Interest rate swaps	-	34,789	-	34,789	-	46,557	-	46,557
- Forward exchange contracts	-	10,855	-	10,855	-	8,525	-	8,525
- Equity swaps	-	1,385	-	1,385	-	1,384	-	1,384
	-	47,029	-	47,029	-	56,466	-	56,466

During the six months ended 31 December 2021, there were no transfers between Level 1 and Level 2 (2020: nil).

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

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

	Six months ended 31 December	
	2021 (Unaudited) US\$'000	2020 (Unaudited) US\$'000
Unlisted equity investments at FVOCI:		
At 1 July	60,235	62,289
Net unrealised gains recognised in other comprehensive income during the period	-	60,268
Additions	5,431	4,039
Cash distribution	(2,267)	(1,594)
Transfer out of Level 3	-	(68,634)
Disposal	-	(8,015)
Exchange adjustments	-	(4)
At 31 December	63,399	48,349

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.

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

Other than for the mortgage debenture stock, the carrying amounts of the financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2021 and 30 June 2021.

Mortgage debenture stock is measured at fair value at initial recognition and thereafter for disclosure at the end of reporting period. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the government yield curve at the reporting date plus an adequate credit spread. The fair value of the mortgage debenture stock at 31 December 2021 is estimated to be US\$75.7 million (30 June 2021: US\$82.6 million) and is classified within Level 2 of the fair value hierarchy. The interest rate used to discount estimated cash flows at the reporting date was 2.81% (30 June 2021: 1.83%).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

19. CAPITAL COMMITMENTS OUTSTANDING NOT PROVIDED FOR IN THE FINANCIAL STATEMENTS

	At 31 December 2021 (Unaudited) US\$'000	At 30 June 2021 (Audited) US\$'000
Authorised and contracted for	19,834	8,649
Authorised but not contracted for	32,128	17,989
	51,962	26,638

At 31 December 2021, the commitment in respect of development expenditure contracted but not provided for in the financial statements by the Group was US\$788.8 million (30 June 2021: US\$834.5 million).

20. 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 31 December 2021, 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 party was to default on these arrangements, the obligation for Rank would be GBP1.5 million (approximately US\$2.0 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 regular 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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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

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

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

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 period and balance outstanding at the end of the reporting period is set out below:

(i) Income

	Six months ended 31 December	
	2021	2020
	(Unaudited)	(Unaudited)
	US\$'000	US\$'000
Interest income	75	290

(ii) Balance

	At 31 December 2021	At 30 June 2021
	(Unaudited)	(Audited)
	US\$'000	US\$'000
Deposits and short term funds	14,655	70,364

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

21. MATERIAL RELATED PARTY TRANSACTIONS (cont'd)

(b) Management fee

On 3 July 2020, the Company entered into master agreements for services for three financial years from 1 July 2020 to 30 June 2023 with each of GuoLine Group Management Company Pte. Ltd. ("GGMC") (a wholly-owned subsidiary of GuoLine Capital Assets Limited ("GCAL")) and HL Management Co Sdn Bhd ("HLMC") which were indirect wholly-owned subsidiaries of Hong Leong Company (Malaysia) Berhad ("HLCM"), the ultimate holding company of the Company at the time. On 16 April 2021, GCAL replaced HLCM to become the ultimate holding company and a substantial shareholder of the Company following the completion of an internal restructuring exercise. Mr. QUEK Leng Chan, being a deemed controlling shareholder of the Company, is a deemed controlling shareholder of GCAL and HLMC. GGMC and HLMC are deemed related parties to the Group.

Total amount paid or provided for in respect of management fees to GGMC and HLMC for the six months ended 31 December 2021 amounted to US\$4,012,000 (2020: US\$2,269,000) and US\$83,000 (2020: US\$195,000) respectively.

22. HONG KONG DOLLAR AMOUNTS

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

23. REVIEW BY BOARD AUDIT AND RISK MANAGEMENT COMMITTEE

The unaudited interim results for the six months ended 31 December 2021 have been reviewed by the Board Audit and Risk Management Committee of the Company. The information in these interim results does not constitute statutory accounts.