國浩集團
GuocoGroup
A Member of the Hong Leong Group

For immediate release 16 September 2021

GUOCO GROUP LIMITED
(the "Company" or "Guoco")

PRELIMINARY ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2021

FINANCIAL HIGHLIGHTS

		2021 HK$'M	2020 HK$'M	*Increase / (Decrease)*
Turnover		**12,522**	16,745	*(25%)*
Revenue		**10,253**	14,641	*(30%)*
Profit/(loss) from operations		**891**	(1,145)	*N/A*
Profit/(loss) attributable to equity shareholders of the Company		**2,501**	(873)	*N/A*
		HK$	HK$	
Earnings/(loss) per share		**7.69**	(2.68)	*N/A*
Dividend per share:	Interim	**0.50**	1.00	
	Proposed final	**1.50**	1.50	
	Total	**2.00**	2.50	*(20%)*
Equity per share attributable to equity shareholders of the Company		**181.68**	170.55	*7%*

16 September 2021, Hong Kong – Guoco Group Limited (Stock Code: 53) announced today its preliminary annual results for the year ended 30 June 2021.

FINANCIAL RESULTS

The Company and its subsidiaries (collectively the "Group") recorded a consolidated profit attributable to shareholders of the Company for the year ended 30 June 2021 of HK$2,501 million, as compared to a loss of HK$873 million for the preceding year. The improvement was mainly contributed by a turnaround of market valuations from our principal investment segment overweighing the loss in the hospitality and leisure segment which had remained negatively impacted from the on-going COVID-19 pandemic.

"The hospitality and leisure segment recorded a loss before taxation of HK$1,736 million as lockdowns, restrictions on travel and social distancing measures heavily impacted the business operations of our hospitality and leisure venues," said the Executive Director and Group Chief Financial Officer of the Company, Mr. CHEW Seong Aun. "Despite this setback, the Group managed to close the year in a profitable position as a result of the profits from all other segments. The profits before taxation generated from the principal investment, property development and investment, financial services and other segments were HK$1,459 million, HK$1,548 million, HK$1,083 million and HK$102 million respectively."

Basic earnings per share amounted to HK$7.69.

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Revenue for the year ended 30 June 2021 declined by 30% to HK$10.3 billion, again primarily due to a drop of HK$4.5 billion in revenue from the hospitality and leisure segment.

The privatisation of GL Limited was completed on 2 June 2021 whereupon it became a wholly owned subsidiary of the Group and its financial results since then were fully absorbed by the Group accordingly.

DIVIDEND

The board of directors of the Company will recommend to shareholders for approval at the forthcoming annual general meeting a final dividend for the financial year ended 30 June 2021 of HK$1.50 per share, amounting to HK$494 million. Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 8 November 2021, the final dividend will be payable on 25 November 2021 to the shareholders whose names appear on the Register of Members of the Company on 15 November 2021.

GUOCO'S CORE BUSINESSES

Principal Investment

Our fiscal year began right after the global economy had first suffered a collapse as the pandemic brought the world to a standstill and then staged a V-shaped rebound with unprecedented monetary and fiscal stimuli. Investors then became more cautious as the U.S. elections approached but, once the results were in, global equity markets regained their momentum with the announcements of high efficacies of several vaccines. Prospects of effective vaccinations also led investors to believe that the re-opening of the global economy would accelerate. However, denting the bullish sentiment and lurking in the background were investor concerns about inflation, with the 10-year treasury yield increasing from below 1% in December 2020 to 1.60% by early March 2021.

Meanwhile, the Group Treasury maintained a cautious stance and achieved a modest positive contribution from foreign exchange and interest rate management.

Against this volatile equity market backdrop, the Principal Investment segment recorded improved results against the previous corresponding period with a pre-tax gain for the year of HK$1,459 million.

"In a year where uncertainties abound and markets exhibited a high degree of volatility, the Group remained steadfast in its prudent investment approach and principles. Our long-held preference for companies with solid fundamentals and healthy dividend yields served us well and we were rewarded with positive results for the financial year when asset prices rebounded," said Mr. Chew. "We will continue to seek out investment opportunities for value stocks with strong fundamentals."

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<u>Property Development and Investment</u>

GuocoLand Limited ("GuocoLand")

For the year ended 30 June 2021, GuocoLand recorded a revenue and gross profit of S$853.7 million and S$268.4 million respectively, a decline of approximately 10% as compared to the previous year. This was mainly due to the lower progressive recognition of sales at Martin Modern as construction reached its tail end during the year. However this was partially offset by higher progressive recognition of sales from other Singapore residential projects and higher contribution from projects in Malaysia. Meanwhile, revenue from GuocoLand's investment properties dropped marginally and revenue from hotels fell by approximately 65%. Gross profit margin remained stable at approximately 30%.

"I am pleased to share that during the year, GuocoLand was recognised by 11 awards at the 10th Asia Property Awards (Singapore) in October 2020, including Best Developer, Best Condo Development (Singapore) and Real Estate Personality of the Year," expressed Mr. Chew. "Additionally, GuocoLand was awarded the Best Mixed-use Developer in recognition of its outstanding track record in the development of the award-winning Guoco Tower and the upcoming Guoco Midtown."

Mr. Chew further commented, "GuocoLand has developed a strong brand as a premium real estate group, with a portfolio of iconic mixed developments and luxury homes in key gateway cities within Asia. GuocoLand will continue to scale up its property development business, focusing on strategic land acquisition and investment opportunities."

More details are available at www.guocoland.com.sg.

<u>Hospitality and Leisure</u>

GLH Hotels Group Limited ("GLH")

GLH, our key hotel operating business unit, recorded a loss after tax for the year ended 30 June 2021 of GBP55.1 million, notably higher than the previous year mainly due to the significant impact on trading from ongoing COVID-19 restrictions on GLH's hotels in the United Kingdom ("UK").

"Occupancy in the hotels continued to be constrained by restrictions in international travel. Decisive management actions were taken through the financial year to ensure appropriate and effective cost measures match the level of demand," stated Mr. Chew. "GLH remains positive about the long term strength of the London hotel sector and the opportunities it presents."

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The Rank Group Plc ("Rank")

Rank recorded a loss after tax of GBP72.0 million for the financial year ended 30 June 2021 compared to a profit after tax of GBP9.4 million in the previous financial year. Throughout the financial year, the COVID-19 pandemic and the UK Government's responses to the crisis had severely impacted the hospitality sector. Rank's venues businesses, which typically account for 78% of its revenue, were closed for 59% of available operating days and otherwise subjected to curfews, capacity constraints and other restrictions. As a result, net gaming revenue decreased by 48% to GBP329.6 million.

Most of Rank's venues in the UK reopened on 17 May 2021 in line with the easing of restrictions in the UK hospitality sector. Social distancing requirements, the mandatory wearing of face masks and capacity constraints were removed in England on 19 July 2021. In Spain, trading in Enracha continued to improve as regional restrictions on capacity levels, opening hours and food and beverage were gradually relaxed. With venues back open, Rank is generating cash again. Rank anticipates further growth as travel restrictions eventually ease and tourism returns, particularly to London.

"Rank had taken strong and decisive action throughout the pandemic to preserve cash and protect liquidity, including, amongst others, an equity placing completed in November 2020 with an additional capital of GBP70.0 million raised. It continues to focus on the next phase of its transformation programme with three-year plans now being implemented for each business unit. It will drive the growth over the coming years and put Rank on the right trajectory to meet its strategic objectives," commented Mr. Chew.

More details are available at www.rank.com.

Financial Services

Hong Leong Financial Group Berhad ("HLFG")

HLFG Group recorded a profit before tax of RM3,971.5 million for the year ended 30 June 2021 as compared to RM3,299.5 million in the previous year, an increase of RM672.0 million or 20.4%. The increase in profit was attributed to higher contributions from all its operating divisions.

During the year, HLFG was recognised by The Asian Banker for its sustained financial strength and response to the challenges posed by the pandemic. HLFG topped The Asian Banker's ranking of Strongest Banks by Balance Sheet in Malaysia and ranked 12th in the Asia Pacific in 2020. This award is a reflection of HLFG's commitment to diligently execute its business and digital strategies in building sustainable value for its shareholders.

More details are available at www.hlfg.com.my.

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Others

The business of Manuka Health New Zealand Limited, the Group's wholly owned Manuka honey product producer and distributor, was impacted by the extended pandemic related lockdown which reduced shopper traffic in many markets during the year. To enhance market recognition and growth of its global consumer base, the management is working on its brand value proposition and product innovation programmes to build a distinctive brand.

GROUP OUTLOOK

"The outlook remains capricious with continued uncertainties around the evolution of the virus, the pace of vaccine deployment and enduring geo-political risks. Nevertheless, economic conditions are expected to improve with the gradual re-opening of economies, although an uneven recovery is envisioned across countries and economic sectors. As economies begin to recover, this will be balanced by the rising spectre of inflation with regulators looking to commence tightening money supply. We will therefore maintain a cautious investment approach in our principal investment activities," commented Mr. Chew. "Our other operating business segments will continue to manage risk and judiciously strive to grow as economic prospects remain uncertain. We will leverage on our strengths, prudently execute business plans and seek investment opportunities as we remain committed to deliver sustainable growth and capital value to our shareholders."

(Please visit www.guoco.com or www.hkexnews.hk for Guoco's full final results announcement.)

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Guoco Group Limited ("Guoco") (Stock Code: 53), listed on 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, China, Singapore, Malaysia, Vietnam and the United Kingdom. Guoco has four core businesses, namely, Principal Investment; Property Development and Investment; Hospitality and Leisure Business; and Financial Services.

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