

For immediate release

23 February 2022

**GUOCO GROUP LIMITED**  
(the “Company” or “Guoco”)

**INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

	Six months ended 31 December		Increase/ (Decrease)
	2021 HK\$'M	2020 HK\$'M	
Turnover	<b>8,061</b>	6,016	34%
Revenue	<b>7,358</b>	4,581	61%
Profit from operations	<b>838</b>	251	234%
Profit attributable to equity shareholders of the Company	<b>616</b>	1,011	(39%)
	<b>HK\$</b>	<b>HK\$</b>	
Earnings per share	<b>1.89</b>	3.11	(39%)
Interim dividend per share	<b>0.50</b>	0.50	-
	<b>As at 31 December 2021 HK\$</b>	<b>As at 30 June 2021 HK\$</b>	
Equity per share attributable to equity shareholders of the Company	<b>177.30</b>	181.68	(2%)

**23 February 2022, Hong Kong** – Guoco Group Limited (Stock Code: 53) announced today its interim results for the six months ended 31 December 2021.

**FINANCIAL RESULTS**

The Company and its subsidiaries (collectively 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 segments recorded losses but the other core businesses witnessed improved profitability,” said Mr. CHEW Seong Aun, the Executive Director and Group Chief Financial Officer of Guoco.

Basic earnings per share amounted to HK\$1.89 (2020: HK\$3.11).

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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. The Group’s 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 its hotel business in the Hospitality and Leisure segment in particular towards the end of the calendar year.

**INTERIM DIVIDEND**

Guoco Group declared an interim dividend of HK\$0.50 per share for the financial year ending 30 June 2022.

**BUSINESSES REVIEW**

Principal Investment

The continuing COVID-19 pandemic and the effects from government remedial measures, namely monetary and fiscal stimuli in many of the world’s major economies, dominated the backdrop to the financial period and the 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 the tapering of quantitative easing. Market sentiment was further aggravated 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. Meanwhile, value stocks continued to languish,” Mr. Chew commented. “Our Principal Investments 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,” Mr. Chew continued.

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Property Development and Investment

*GuocoLand Limited (“GuocoLand”)*

For the six months ended 31 December 2021, GuocoLand’s revenue and gross profit 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 the 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%. Other income increased by S\$14.2 million mainly due to the higher fair value gain on interest rate hedges.

More details are available at [www.guocoland.com.sg](http://www.guocoland.com.sg).

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.

“GLH maintained strong operational cost control measures during the period and kept capital expenditure to only essential in nature,” commented Mr. Chew. “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.”

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*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 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.

“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,” expressed Mr. Chew.

More details are available at [www.rank.com](http://www.rank.com).

Financial Services

*Hong Leong Financial Group Berhad (“HLFG”)*

HLFG will publish its results for the interim period ended 31 December 2021 at a later date. The consolidated results of HLFG based on their unaudited management accounts have been incorporated in the Group’s interim results.

Others

The Group’s wholly owned Manuka honey product producer and distributor, Manuka Health New Zealand Limited (“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 the higher gas production.

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**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 for 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.

Commenting on the group outlook, Mr. Chew said, “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.”

(Please visit [www.guoco.com](http://www.guoco.com) or [www.hkexnews.hk](http://www.hkexnews.hk) for Guoco’s interim results announcement.)

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Guoco Group Limited (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, the United Kingdom and Australasia. Guoco has four core businesses, namely, Principal Investment; Property Development and Investment; Hospitality and Leisure; and Financial Services.

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