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

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.10(B) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

Please refer to the attached announcement on the next page.

The board of directors of Guoco Group Limited currently comprises Mr. Quek Leng Chan as Executive Chairman; Mr. Kwek Leng Hai as President, CEO; Mr. Tan Lim Heng as executive director; Mr. Kwek Leng San as non-executive director and Mr. Volker Stoeckel and Mr. Roderic N. A. Sage as independent non-executive directors.

SECOND QUARTER RESULTS * FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT

Like



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** Asterisks denote mandatory information*

Name of Announcer *	GUOCOLEISURE LIMITED
Company Registration No.	EC27568
Announcement submitted on behalf of	GUOCOLEISURE LIMITED
Announcement is submitted with respect to *	GUOCOLEISURE LIMITED
Announcement is submitted by *	NG POH KENG JOCELYN
Designation *	GROUP COMPANY SECRETARY
Date & Time of Broadcast	25-Jan-2013 18:38:25
Announcement No.	00116

>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

For the Financial Period Ended *	31-12-2012
Description	Please refer to the attachment.
Attachments	GLsecondquarterresults.pdf Total size = 314K (2048K size limit recommended)



GuocoLeisure Limited

A member of the Hong Leong Group

Unaudited Financial Statement And Related Announcement For Half-year and Second Quarter Ended 31 December 2012

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Unaudited		Increase/ (Decrease) %	Unaudited		Increase/ (Decrease) %
	1 st Half	1 st Half		2 nd Qtr	2 nd Qtr	
	1 Jul to 31 Dec 12 US\$m	1 Jul to 31 Dec 11 US\$m		1 Oct to 31 Dec 12 US\$m	1 Oct to 31 Dec 11 US\$m	
Revenue	203.9	189.7	7.5%	99.4	92.9	7.0%
Bass Strait oil and gas royalty	25.6	31.3	(18.2%)	13.3	11.9	11.8%
Gain on disposal of investments / assets	-	0.2	N.M	-	-	-
Other operating income	10.3	13.6	(24.3%)	3.8	3.1	22.6%
Direct costs of raw materials and consumables	(98.6)	(91.0)	8.4%	(50.6)	(45.1)	12.2%
Personnel expenses	(52.6)	(51.4)	2.3%	(27.8)	(25.6)	8.6%
Other operating expenses	(16.1)	(16.0)	0.6%	(8.2)	(8.7)	(5.7%)
PROFIT BEFORE DEPRECIATION & AMORTISATION	72.5	76.4	(5.1%)	29.9	28.5	4.9%
Depreciation	(13.0)	(11.9)	9.2%	(6.4)	(5.9)	8.5%
Amortisation	(2.2)	(2.2)	-	(1.1)	(1.1)	-
PROFIT BEFORE FINANCING COSTS	57.3	62.3	(8.0%)	22.4	21.5	4.2%
Finance costs	(16.1)	(17.4)	(7.5%)	(8.1)	(8.3)	(2.4%)
Finance income	4.0	4.9	(18.4%)	2.0	2.5	(20.0%)
Net foreign exchange (loss) /gain	(0.4)	1.3	N.M	0.7	0.8	(12.5%)
PROFIT BEFORE TAX	44.8	51.1	(12.3%)	17.0	16.5	3.0%
Income tax expense	(9.5)	(14.5)	(34.5%)	(4.9)	(4.0)	22.5%
NET PROFIT FOR THE PERIOD	35.3	36.6	(3.6%)	12.1	12.5	(3.2%)
NET PROFIT ATTRIBUTABLE TO:						
- Owners of the Company	35.5	37.0	(4.1%)	12.2	12.7	(3.9%)
- Non-controlling interests	(0.2)	(0.4)	(50.0%)	(0.1)	(0.2)	(50.0%)
NET PROFIT FOR THE PERIOD	35.3	36.6	(3.6%)	12.1	12.5	(3.2%)

Note: N.M - not meaningful

Note to Income Statement

	Unaudited		Increase/ (Decrease) %	Unaudited		Increase/ (Decrease) %
	1 st Half	1 st Half		2 nd Qtr	2 nd Qtr	
	1 Jul to 31 Dec 12 US\$m	1 Jul to 31 Dec 11 US\$m		1 Oct to 31 Dec 12 US\$m	1 Oct to 31 Dec 11 US\$m	
Profit before tax is stated after (charging) / crediting:						
Gain on disposal of investments / assets	-	0.2	N.M	-	-	-
Other operating income	10.3	13.6	(24.3%)	3.8	3.1	22.6%
Amortisation of Bass Strait oil and gas royalty	(2.2)	(2.2)	-	(1.1)	(1.1)	-
Income tax expenses	(9.5)	(14.5)	(34.5%)	(4.9)	(4.0)	22.5%

1(a)(ii) Statement of Comprehensive Income

	Unaudited		Increase/ (Decrease) %	Unaudited		Increase/ (Decrease) %
	1 st Half	1 st Half		2 nd Qtr	2 nd Qtr	
	1 Jul to 31 Dec 12 US\$m	1 Jul to 31 Dec 11 US\$m		1 Oct to 31 Dec 12 US\$m	1 Oct to 31 Dec 11 US\$m	
Profit for the period	35.3	36.6	(3.6%)	12.1	12.5	(3.2%)
Other comprehensive income:						
Net exchange translation difference relating to financial statements of foreign subsidiaries	32.6	(38.9)	N.M	(4.1)	(6.0)	(31.7%)
Change in fair value of available-for-sale investments	(0.1)	0.3	N.M	(0.2)	0.3	N.M
Other comprehensive income for the year, net of income tax	32.5	(38.6)	N.M	(4.3)	(5.7)	(24.6%)
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD	67.8	(2.0)	N.M	7.8	6.8	14.7%
TOTAL COMPREHENSIVE INCOME /LOSS ATTRIBUTABLE TO:						
- Owners of the Company	68.0	(1.5)	N.M	7.8	7.1	9.9%
- Non-controlling interest	(0.2)	(0.5)	(60.0%)	-	(0.3)	N.M
TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD	67.8	(2.0)	N.M	7.8	6.8	14.7%

Note: N.M - not meaningful

1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	GROUP		COMPANY	
	Unaudited	Audited	Unaudited	Audited
	31-Dec-12	30-Jun-12	31-Dec-12	30-Jun-12
	US\$m	US\$m	US\$m	US\$m
ASSETS				
Hotels, property and equipment	1,214.5	1,180.9	-	-
Intangible assets	179.5	177.3	-	-
Investment in subsidiaries	-	-	1,209.8	1,209.8
Other investments	3.3	3.5	-	-
TOTAL NON-CURRENT ASSETS	1,397.3	1,361.7	1,209.8	1,209.8
Inventories	1.2	0.9	-	-
Development properties	176.8	178.9	-	-
Trade and other receivables	64.5	78.6	0.6	0.5
Advances to subsidiaries	-	-	110.5	119.7
Cash and cash equivalents	28.6	19.5	-	-
TOTAL CURRENT ASSETS	271.1	277.9	111.1	120.2
TOTAL ASSETS	1,668.4	1,639.6	1,320.9	1,330.0
LESS LIABILITIES				
Loans and borrowings	52.6	49.7	52.6	49.7
Trade and other payables	74.3	100.4	3.3	2.6
Corporate tax payable	4.6	3.9	-	-
Provisions	0.5	0.5	0.2	0.2
TOTAL CURRENT LIABILITIES	132.0	154.5	56.1	52.5
Loans and borrowings	330.9	323.0	-	-
Provisions	14.2	16.5	-	-
Deferred tax liabilities	30.1	28.3	-	-
TOTAL NON-CURRENT LIABILITIES	375.2	367.8	-	-
TOTAL LIABILITIES	507.2	522.3	56.1	52.5
NET ASSETS	1,161.2	1,117.3	1,264.8	1,277.5
SHARE CAPITAL AND RESERVES				
Equity attributable to owners of the Company	1,162.9	1,118.8	1,264.8	1,277.5
Non-controlling interest	(1.7)	(1.5)	-	-
TOTAL EQUITY	1,161.2	1,117.3	1,264.8	1,277.5

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 Dec 2012		As at 30 Jun 2012	
Secured	Unsecured	Secured	Unsecured
-	52.6	-	49.7

Amount repayable after one year

As at 31 Dec 2012		As at 30 Jun 2012	
Secured	Unsecured	Secured	Unsecured
330.9	-	323.0	-

Details of any collateral

As at 31 December 2012, the Group's unsecured borrowings that were repayable in one year or less stood at US\$52.6 million. The Group continues to have banking lines to meet its funding requirements.

The Group's long term borrowings of US\$330.9 million are secured on three hotels owned by the Group with a total net book value of US\$622.7 million.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	GROUP			
	Unaudited		Unaudited	
	1 st Half 1 Jul to 31 Dec 12 US\$m	1 st Half 1 Jul to 31 Dec 11 US\$m	2 nd Qtr 1 Oct to 31 Dec 12 US\$m	2 nd Qtr 1 Oct to 31 Dec 11 US\$m
OPERATING ACTIVITIES				
Profit before financing costs	57.3	62.3	22.4	21.5
Adjustments for non-cash items				
Depreciation of hotel, property and equipment	13.0	11.9	6.4	5.9
Amortisation of Bass Strait oil and gas royalty	2.2	2.2	1.1	1.1
Gain on disposal of investments / assets	-	(0.2)	-	-
Other non-cash items	(0.2)	0.2	-	0.1
Provisions	0.6	(0.7)	(0.1)	-
Net change in working capital items				
Inventories / development properties	1.9	1.2	(0.2)	1.1
Trade and other receivables	14.1	32.8	8.4	19.8
Trade and other payables	(26.3)	(21.0)	(6.9)	(12.3)
Provisions	(2.9)	(3.0)	(1.0)	(1.3)
Income tax paid	(8.1)	(14.5)	(4.2)	(10.1)
Repurchase of own shares	(2.2)	-	(0.2)	-
CASH FLOWS FROM OPERATING ACTIVITIES	49.4	71.2	25.7	25.8
INVESTING ACTIVITIES				
Proceeds from sale of equipments	-	0.3	-	-
Acquisition of hotel, property and equipment	(5.4)	(24.1)	(2.2)	(11.2)
CASH FLOWS USED IN INVESTING ACTIVITIES	(5.4)	(23.8)	(2.2)	(11.2)
FINANCING ACTIVITIES				
Drawdown of short-term borrowings	98.6	97.0	15.5	53.6
Repayment of short-term borrowings	(96.3)	(75.5)	-	(47.2)
Buy-back of mortgage debenture stock	-	(24.5)	-	-
Interest received	0.1	0.4	0.1	0.1
Interest paid	(16.7)	(18.5)	(16.3)	(15.9)
Other financing costs	(0.2)	0.6	(0.2)	0.6
Realised exchange gain on financial derivatives	0.6	1.0	0.4	0.9
Dividend paid to shareholders of the Company	(21.5)	(21.1)	(21.5)	(21.1)
CASH FLOWS USED IN FINANCING ACTIVITIES	(35.4)	(40.6)	(22.0)	(29.0)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	8.6	6.8	1.5	(14.4)
Cash and cash equivalents at beginning of the period	19.5	19.6	27.3	39.0
Effect of exchange rate fluctuations on cash held	0.5	(0.9)	(0.2)	0.9
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	28.6	25.5	28.6	25.5

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Changes in Equity – Group

	Share Capital US\$m	Contributed Surplus US\$m	Translation Reserve US\$m	Fair Value Reserve US\$m	Capital Reserve Share Based Payment US\$m	Equity Compensation Reserve US\$m	Reserve for Own Shares US\$m	Retained Earnings US\$m	Total US\$m	Non-Controlling Interest US\$m	Total Equity US\$m
Balance at 1 Jul 2012	273.6	654.2	(77.5)	0.5	(1.6)	2.9	(30.0)	296.7	1,118.8	(1.5)	1,117.3
Profit for the period	-	-	-	-	-	-	-	35.5	35.5	(0.2)	35.3
Other comprehensive income:											
Net exchange translation difference relating to financial statements of foreign subsidiaries	-	-	32.6	-	-	-	-	-	32.6	-	32.6
Changes in fair value of available-for-sale investments	-	-	-	(0.1)	-	-	-	-	(0.1)	-	(0.1)
Total other comprehensive income, net of income tax	-	-	32.6	(0.1)	-	-	-	-	32.5	-	32.5
Total comprehensive income for the year, net of income tax	-	-	32.6	(0.1)	-	-	-	35.5	68.0	(0.2)	67.8
<i>Transactions with owners, recorded directly in equity:</i>											
Purchase of shares for ESOS 2008	-	-	-	-	-	-	(2.2)	-	(2.2)	-	(2.2)
Value of employee services received for issue of share option	-	-	-	-	-	(0.2)	-	-	(0.2)	-	(0.2)
First and final dividend of SGD0.020 per share for the year ended 30 June 2011	-	-	-	-	-	-	-	(21.5)	(21.5)	-	(21.5)
Total transactions with owners	-	-	-	-	-	(0.2)	(2.2)	(21.5)	(23.9)	-	(23.9)
Balance at 31 December 2012	273.6	654.2	(44.9)	0.4	(1.6)	2.7	(32.2)	310.7	1,162.9	(1.7)	1,161.2
Balance at 1 Jul 2011	273.6	654.2	(49.4)	1.0	(1.6)	3.0	(28.5)	251.3	1,103.6	(0.8)	1,102.8
Profit for the period	-	-	-	-	-	-	-	37.0	37.0	(0.4)	36.6
Other comprehensive income:											
Net exchange translation difference relating to financial statements of foreign subsidiaries	-	-	(38.8)	-	-	-	-	-	(38.8)	(0.1)	(38.9)
Changes in fair value of available-for-sale investments	-	-	-	0.3	-	-	-	-	0.3	-	0.3
Total other comprehensive income, net of income tax	-	-	(38.8)	0.3	-	-	-	-	(38.5)	(0.1)	(38.6)
Total comprehensive income for the year, net of income tax	-	-	(38.8)	0.3	-	-	-	37.0	(1.5)	(0.5)	(2.0)
<i>Transactions with owners, recorded directly in equity:</i>											
Value of employee services received for issue of share option	-	-	-	-	-	0.2	-	-	0.2	-	0.2
First and final dividend of SGD0.020 per share for the year ended 30 June 2011	-	-	-	-	-	-	-	(21.1)	(21.1)	-	(21.1)
Total transactions with owners	-	-	-	-	-	0.2	-	(21.1)	(20.9)	-	(20.9)
Balance at 31 December	273.6	654.2	(88.2)	1.3	(1.6)	3.2	(28.5)	267.2	1,081.2	(1.3)	1,079.9

Statement of Changes in Equity – Company

	Share Capital US\$m	Contributed Surplus US\$m	Capital Reserve Share Based Payment US\$m	Equity Compensation Reserve US\$m	Reserve for Own Shares US\$m	Retained Earnings US\$m	Total US\$m
Balance at 1 Jul 2012	273.6	654.2	(1.6)	2.7	(30.0)	378.6	1,277.5
Profit for the period	-	-	-	-	-	11.0	11.0
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year, net of income tax	-	-	-	-	-	11.0	11.0
Purchase of shares for ESOS 2008	-	-	-	-	(2.2)	-	(2.2)
First and final dividend of SGD0.020 per share for the year ended 30 June 2012	-	-	-	-	-	(21.5)	(21.5)
Balance at 31 December 2012	273.6	654.2	(1.6)	2.7	(32.2)	368.1	1,264.8
Balance at 1 Jul 2011	273.6	654.2	(1.6)	2.7	(28.5)	203.2	1,103.6
Net loss for the period	-	-	-	-	-	(1.3)	(1.3)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year, net of income tax	-	-	-	-	-	(1.3)	(1.3)
First and final dividend of SGD0.020 per share for the year ended 30 June 2011	-	-	-	-	-	(21.1)	(21.1)
Balance at 31 December 2011	273.6	654.2	(1.6)	2.7	(28.5)	180.8	1,081.2

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Issued Shares & Share Options	2 nd Quarter ended 31 December 2012
(a) Issued and fully paid ordinary shares:	
As at 1 July and 31 December 2012	1,368,063,633
(b) Issue of share options under GL Executives' Share Option Scheme 2008:	
As at 1 July 2012	210,000
Options lapsed	(0)
As at 31 December 2012	<u>210,000</u>

	As at 31 Dec 2012	As at 31 Dec 2011
No. of shares that would be transferred by the Trust* to eligible employees to satisfy the outstanding share options under the GL Executives' Share Option Scheme 2008	210,000	5,300,000
<p>* The GL Executives' Share Option Scheme 2008 ("ESOS") was adopted in 2008 to replace the GL Value Creation Incentive Share Scheme ("VCI Scheme"). The Company established a new trust ("ESOS Trust") in October 2011 for the purpose of the ESOS which acquired the entire 40 million GL shares held by the trustee under the VCI Scheme as all outstanding options under the VCI Scheme had lapsed as at 30 June 2011.</p>		

There was no change in the Company's share capital since the immediate preceding financial period reported on.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 Dec 2012	As at 30 June 2012
Total issued ordinary shares	1,368.1 million	1,368.1 million
Less: No. of shares acquired by the ESOS Trust for ESOS	(47.9) million	(43.3) million
Total issued ordinary shares excluding shares acquired by the ESOS Trust for ESOS	1,320.2 million	1,324.8 million

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

These figures have not been audited nor reviewed by the Group's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The same accounting policies as in the Group's audited financial statements for the year ended 30 June 2012 have been consistently applied.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Unaudited		Unaudited	
	1 st Half 1 Jul to 31 Dec 12 ¹	1 st Half 1 Jul to 31 Dec 11 ²	2 nd Qtr 1 Oct to 31 Dec 12	2 nd Qtr 1 Oct to 31 Dec 11
Basic earnings per share (US cents)	2.7	2.8	0.9	1.0
Diluted earnings per share (US cents)	2.7	2.8	0.9	1.0

¹ Based on the weighted average number of ordinary shares in issue after adjusting for the shares held by the ESOS Trust for ESOS, being 1,324.0 million shares.

² Based on the weighted average number of ordinary shares in issue after adjusting for the shares held by the ESOS Trust for ESOS, being 1,328.1 million shares.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-
 (a) current financial period reported on; and
 (b) immediately preceding financial year.

	Unaudited 1 st Half 31 Dec 12 ¹	Audited Full Year 30 Jun 12 ²
Net assets per share (US cents)		
The Group	87.8	84.3
The Company	95.5	96.2

¹ Based on the weighted average number of ordinary shares in issue after adjusting for the shares held by the ESOS Trust for ESOS, being 1,324.0 million shares.

² Based on the weighted average number of ordinary shares in issue after adjusting for the shares held by the ESOS Trust for ESOS, being 1,328.1 million shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
 (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Income Statement

Profit after tax for the half-year ended 31 December 2012 stood at US\$35.3 million, a decrease of 3.6% as compared to US\$36.6 million in the previous corresponding period. The following review sets out the factors that affected profit after tax for the period:

Revenue

For the half-year ended 31 December 2012, revenue increased by 7.5% for the period to US\$203.9 million due mainly to higher revenue generated from the hotel segment during the 2012 Summer Olympics. Whilst

the revenues in the hotel operations showed a growth of 9.7%, volatility in the gaming sector affected overall revenue performance.

Bass Strait oil and gas royalty

Income from the Bass Strait oil and gas royalty in Australia decreased by 18.2% for the period due to lower royalties received as a result of lower average crude oil price in the current period as compared to the same period a year ago. In addition, a one-off royalty distribution of US\$5.4 million arising from the resolution of a royalty entitlement dispute was received in the previous corresponding period.

Other operating income

Other operating income decreased from US\$13.6 million to US\$10.3 million for the half-year ended 31 December 2012 due mainly to the reimbursement of expenses associated with the royalty entitlement dispute which was resolved in the previous corresponding period.

Direct costs of raw materials, consumables and services

The increase in direct costs of raw materials, consumables and services by 8.4% for the period was due mainly to the increased cost in hotel operations in line with the increase in revenue from the hotel operations in current period.

Personnel expenses

The increase in personnel expenses for the half-year ended 31 December 2012 was mainly due to the recruitment of additional hotel operational staffs as well as the general labour cost inflation in UK.

Depreciation

Higher depreciation charge for the half-year ended 31 December 2012 was mainly due to the continuing hotel refurbishment cost which has been depreciated in the current period.

Net financing costs

Lower net financing costs for the half-year ended 31 December 2012 was predominantly attributable to lower outstanding borrowings as compared to the previous corresponding period.

Income tax expenses

Income tax was lower than the previous corresponding period due to lower tax provision on lower royalty income received in the current period.

Statement of Comprehensive Income

Total comprehensive income for the half year ended 31 December 2012 was US\$67.8 million. This included a net foreign exchange translation gain of US\$32.6 million as a result of translating the books of the Group's UK subsidiaries and the Bass Strait oil and gas royalty rights which are denominated in GBP and AUD respectively into the Group's reporting currency, which is USD. The GBP and AUD as at 31 December 2012 appreciated against the USD by 3.5% and 2.1% respectively as compared to 30 June 2012.

Statement of Financial Position

The Group's net assets before non-controlling interest as at 31 December 2012 increased by 3.9% to US\$1,162.9 million from US\$1,118.8 million as at 30 June 2012 mainly attributable to the Group's earnings generated during the period and its net foreign exchange translation gain, which arose from the translation of the GL's GBP- and AUD-denominated net assets into USD.

Other significant movements in the Group's net assets were as follows:

- a) Intangible assets – increase was due to the higher AUD and GBP exchange rates against USD.
- b) Trade and other receivables – decrease was primarily due to lower prepayments for both hotel and gaming segments during the period.
- c) Cash and cash equivalents – increase was due mainly to revenue generated from the hotel operations and royalty income received during the half-year.
- d) Trade and other payables – decrease was due to scheduled settlement of creditor liabilities.

- e) Loans and borrowings – increase was due to higher GBP exchange rates against USD for the period.
- f) Corporate tax payable – decrease was due to actual tax paid during the period.
- g) Provisions – decrease was due to actual pension payments made during the period.
- h) Deferred tax liabilities – increase was due to the strengthening of GBP exchange rates against USD.

Statement of Cash Flows

There was higher net cash of US\$8.6 million generated for the half-year ended 31 December 2012 as compared with US\$6.8 million in the previous corresponding period. This was mainly due to lower capital expenditure and loan repayment during the period.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

The Group has not previously released any forecast or prospect statements.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The adverse situation in the Eurozone as well as in the UK continues to have an impact on the Group's hospitality business which is its largest segment. Performance in the first half of the year however was buoyed by the London Olympics. Contribution from the Bass Strait oil and gas royalty in Australia is expected to remain strong. We continue to focus on the disposal of our remaining assets in Fiji. The Group as a whole is expected to perform satisfactorily.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. **If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared/recommendeded.

13. **If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from shareholders for interested person transactions.

14. Confirmation by the Board of Directors

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial statements of GuocoLeisure Limited for the half-year and second quarter ended 31 December 2012 false or misleading in any material aspect.

BY ORDER OF THE BOARD

**Ng Poh Keng Jocelyn
Group Company Secretary**

25 January 2013