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# 國浩集團有限公司 Guoco Group Limited

*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 53)

## **VOLUNTARY ANNOUNCEMENT**

### **BUSINESS UPDATE ON THE RANK GROUP PLC IN RELATION TO COVID-19**

This announcement is made by Guoco Group Limited (“Guoco” or the “Company”) on a voluntary basis. The purpose of this announcement is to keep the shareholders of the Company and potential investors informed of the latest business development of The Rank Group Plc (“Rank”, together with its subsidiaries, the “Rank Group”), a subsidiary of Guoco and listed on London Stock Exchange Plc (“LSE”), which published on 17 March 2020 an update regarding the COVID-19 as follows:

Since the start of the second half of the 2019/20 financial year, the Rank Group has traded well and in line with the guidance issued on 16 January 2020. In the last three weeks it has seen a slowdown in trading across its UK venues and in recent days it has inevitably witnessed a sharper decline. Despite the slowdown, its UK venues remained profitable last week.

Its venues in Spain and Belgium have closed following movement restrictions with substantial support from those governments subsidising payroll costs as Rank temporarily lay off colleagues. The Rank Group’s digital business operates as normal with colleagues able to work from home and it is providing additional opportunities for their venues players to socialise and play online.

Following the UK Government guiding consumers to avoid leisure venues, Rank’s modelling shows that the impact of closures would result in monthly net cash costs for the Rank Group of approximately £25 million before mitigating actions and around £17 million with mitigation. In addition, the Rank Group has tax and duty payments of around £40 million falling due in April.

The Rank Group has a strong balance sheet with net debt at the end of February 2020 of £32 million (pre IFRS16), which is funded by the Stride Plc acquisition facility of £128 million. The Rank Group also has undrawn revolving credit facilities of £85 million (of which £30 million expires on 29 September 2020, £40 million in 2024 and £15 million in 2025). Total available cash and facilities after customer deposits at the end of February was £163 million.

At this stage, given the continued uncertainty, the board of directors of Rank does not believe it appropriate to provide financial guidance for the current financial year ending 30 June 2020. It will provide an update as and when appropriate.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

*(Note: The expression “£” in this announcement means “Pounds Sterling”)*

Remarks: *Details of the business update of Rank are accessible at LSE’s website (<http://www.londonstockexchange.com>) and are also posted by Guoco as an overseas regulatory announcement on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and Guoco (<http://www.guoco.com>).*

By Order of the Board  
**LO Sze Man, Stella**  
*Company Secretary*

Hong Kong, 18 March 2020

*As at the date of this announcement, the board of directors of Guoco comprises Mr. KWEK Leng Hai as Executive Chairman; Mr. TANG Hong Cheong as President & CEO; Mr. KWEK Leng San as Non-executive Director and Mr. Roderic N. A. SAGE, Mr. David Michael NORMAN and Mr. Lester G. HUANG, SBS, J.P. as Independent Non-executive Directors.*