

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

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) 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 currently comprises Mr. Quek Leng Chan as Executive Chairman; Mr. Kwek Leng Hai as President, CEO; Mr. Tan Lim Heng and Mr. James Eng, Jr. as executive directors; Mr. Kwek Leng San as non-executive director and Mr. Sat Pal Khattar, Mr. Volker Stoeckel and Mr. Ding Wai Chuen as independent non-executive directors.

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Unaudited Half Year and Second Quarter * Financial Statement And Dividend Announcement

* 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 *	LINDA HOON
Designation *	GROUP COMPANY SECRETARY
Date & Time of Broadcast	24-Jan-2008 17:07:05
Announcement No.	00038

>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	31-12-2007
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Attachments:

 [240108-Half_Yr_and_2nd_Quarter_ended_31_Dec_07.pdf](#)
 Total size = **318K**
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Unaudited Half-year and Second Quarter Financial Statement And Dividend Announcement

1(a) An income statement (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 07 US\$m	1 Jul to 31 Dec 06 US\$m	1 Oct to 31 Dec 07 US\$m		1 Oct to 31 Dec 06 US\$m		
Revenue	295.7	201.4	46.8%	134.8	103.2	30.6%	
Bass Strait oil and gas royalty	14.1	10.1	39.6%	10.5	6.3	66.7%	
Gain on disposal of investments / assets	3.3	1.0	230.0%	3.3	1.0	230.0%	
Other operating income	13.6	8.4	61.9%	5.9	2.8	110.7%	
Direct costs of raw materials and consumables	(160.2)	(100.3)	59.7%	(63.2)	(47.9)	31.9%	
Personnel expenses	(71.7)	(61.1)	17.3%	(39.9)	(35.0)	14.0%	
Other operating expenses	(17.8)	(12.4)	43.5%	(13.7)	(6.8)	101.5%	
PROFIT BEFORE DEPRECIATION & AMORTISATION	77.0	47.1	63.5%	37.7	23.6	59.7%	
Depreciation and impairment	(16.7)	(14.3)	16.8%	(8.3)	(7.6)	9.2%	
Amortisation	(3.3)	(2.9)	13.8%	(1.7)	(1.5)	13.3%	
PROFIT BEFORE FINANCING COSTS	57.0	29.9	90.6%	27.7	14.5	91.0%	
Interest on borrowing	(27.9)	(23.9)	16.7%	(14.1)	(13.0)	8.5%	
Interest income	7.3	6.1	19.7%	4.6	3.4	35.3%	
Net foreign exchange loss	(1.7)	(2.0)	(15.0)%	(0.7)	(1.3)	(46.2)%	
PROFIT BEFORE TAX	34.7	10.1	243.6%	17.5	3.6	386.1%	
Income tax expense	(4.6)	(1.6)	187.5%	(1.7)	(0.8)	112.5%	
NET PROFIT FOR THE PERIOD	30.1	8.5	254.1%	15.8	2.8	464.3%	

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 07 US\$m	1 Jul to 31 Dec 06 US\$m	1 Oct to 31 Dec 07 US\$m		1 Oct to 31 Dec 06 US\$m		
Profit before tax is stated after (charging)/crediting:							
Gain on disposal of investments / assets:							
Gain on disposal of investments	3.3	1.0	230.0%	3.3	1.0	230.0%	
Other operating income:							
Dividend income	0.2	0.1	100.0%	0.2	-	NM	
Management fees	8.3	2.9	186.2%	2.9	(0.4)	NM	
Direct costs of raw materials and consumables:							
Provision of doubtful debts	(1.9)	(0.1)	1800.0%	(1.9)	(0.1)	1800.0%	
Amortisation :							
Amortisation of Bass Strait oil and gas royalty	(3.3)	(2.9)	13.8%	(1.7)	(1.5)	13.3%	

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

	GROUP		COMPANY	
	Unaudited 31 Dec 07 US\$m	Audited 30 Jun 07 US\$m	Unaudited 31 Dec 07 US\$m	Audited 30 Jun 07 US\$m
ASSETS				
Hotels, property, plant and equipment	1,440.5	1,449.5	-	-
Development properties	205.3	249.9	-	-
Intangible assets	189.3	188.0	-	-
Investment in subsidiaries	-	-	1,214.8	1,180.8
Other investments	19.6	22.3	-	-
TOTAL NON-CURRENT ASSETS	1,854.7	1,909.7	1,214.8	1,180.8
Trade and other receivables	86.1	103.7	3.7	-
Advances to subsidiaries	-	-	493.3	354.1
Cash and cash equivalents	54.8	47.1	-	-
Inventories	1.3	1.1	-	-
TOTAL CURRENT ASSETS	142.2	151.9	497.0	354.1
TOTAL ASSETS	1,996.9	2,061.6	1,711.8	1,534.9
LESS LIABILITIES				
Loans and borrowings	115.0	183.7	113.9	-
Trade and other payables	87.7	110.0	0.8	0.6
Corporate tax payable	2.9	0.1	-	-
Provisions	4.1	5.9	0.4	0.5
TOTAL CURRENT LIABILITIES	209.7	299.7	115.1	1.1
Advances from subsidiaries	-	-	495.5	466.7
Loans and borrowings	527.3	533.9	-	-
Provisions	20.9	24.2	-	-
Deferred tax liabilities	137.8	136.7	-	-
TOTAL NON-CURRENT LIABILITIES	686.0	694.8	495.5	466.7
TOTAL LIABILITIES	895.7	994.5	610.6	467.8
NET ASSETS	1,101.2	1,067.1	1,101.2	1,067.1
SHARE CAPITAL AND RESERVES	1,101.2	1,067.1	1,101.2	1,067.1

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 2007		As at 30 Jun 2007	
Secured	Unsecured	Secured	Unsecured
US\$m	US\$m	US\$m	US\$m
-	115.0	177.7	6.0

Amount repayable after one year

As at 31 Dec 2007		As at 30 Jun 2007	
Secured	Unsecured	Secured	Unsecured
US\$m	US\$m	US\$m	US\$m
527.3	-	533.9	-

Details of any collateral

At 31 December 2007, the Group's borrowings are secured against various hotels with a net book value of US\$1,006.4 million (£504.1 million) and all the Thistle shares held by the Group.

At 30 June 2007, the Group's borrowings were secured against various hotels with a net book value of US\$1,011.9 million (£505.4 million) and all the Thistle shares held by the Group.

1(c) A cash flow statement (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 07 US\$m	1 st Half 1 Jul to 31 Dec 06 US\$m	2 nd Qtr 1 Oct to 31 Dec 07 US\$m	2 nd Qtr 1 Oct to 31 Dec 06 US\$m
OPERATING ACTIVITIES				
Profit before financing costs and exchange gain / (loss)	57.0	29.9	27.7	14.5
Adjustments for non-cash items				
Depreciation of hotel, property, plant and equipment	16.7	14.3	8.3	7.6
Amortisation Bass Strait oil and gas royalty	3.3	2.9	1.7	1.5
Gain on disposal of assets included in investing cash flow	(3.3)	(1.0)	(3.3)	(1.0)
Net change in working capital items				
Inventories	(0.2)	(0.4)	(0.2)	(0.5)
Trade and other receivables	17.7	22.8	6.4	30.7
Trade and other payables	(22.3)	(16.2)	(17.6)	(18.4)
Provisions utilised	(5.2)	(2.9)	(2.0)	(1.5)
Income tax (paid) / benefit	(0.2)	-	0.8	-
Other operating cash flows	4.3	(0.4)	4.5	0.3
Dividend received	0.2	0.1	0.2	-
CASH FLOWS FROM OPERATING ACTIVITIES	68.0	49.1	26.5	33.2
INVESTING ACTIVITIES				
Proceeds from sale of plant and equipment	0.1	0.1	-	-
Proceeds from sale of investments	3.3	-	3.3	-
Disposal of subsidiaries, net of cash disposed of	-	1.9	-	1.9
Acquisition of hotel, property, plant and equipment	(11.8)	(10.6)	(6.4)	(6.1)
Disposal of development properties	45.2	0.2	7.1	0.1
Acquisition of development properties	(1.2)	(19.8)	(3.0)	(9.8)
Acquisition of other investments	(0.1)	(0.8)	-	0.2
Acquisition of business operation, net of cash acquired	-	(59.4)	-	(59.4)
CASH FLOWS FROM INVESTING ACTIVITIES	35.5	(88.4)	1.0	(73.1)
FINANCING ACTIVITIES				
Drawdown of non-current borrowings	0.1	16.8	0.1	12.3
Drawdown of short-term borrowings	21.4	123.9	1.8	104.8
Repayment of short-term borrowings	(95.6)	(11.5)	(34.0)	(8.1)
Interest received	7.3	6.1	6.3	3.4
Interest paid	(27.2)	(28.4)	(13.5)	(15.0)
Retainer and guarantee fees paid	(0.7)	(0.4)	(0.7)	(0.6)
Realised exchange gains on financial derivatives	0.8	0.8	0.8	0.9
Dividend paid to shareholders of the Company	-	(30.2)	-	(30.2)
CASH FLOWS FROM FINANCING ACTIVITIES	(93.9)	77.1	(39.2)	67.5
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	9.6	37.8	(11.7)	27.6
Cash and cash equivalents at beginning of the period	47.1	7.1	67.4	16.9
Effect of exchange rate fluctuations on cash held	(1.9)	(0.7)	(0.9)	(0.3)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	54.8	44.2	54.8	44.2

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
Balance at 1 Jul 2007	273.6	654.2	94.1	2.8	(1.6)	2.7	(16.2)	57.5	1,067.1
Net exchange translation difference not recognised in the income statement	-	-	15.7	-	-	-	-	-	15.7
Changes in fair value of financial assets and liabilities:									
- available for sale investments	-	-	-	(0.2)	-	-	-	-	(0.2)
Net gains recognised directly in equity	-	-	15.7	(0.2)	-	-	-	-	15.5
Net profit for the period	-	-	-	-	-	-	-	14.3	14.3
Total recognised income and expense for the period	-	-	15.7	(0.2)	-	-	-	14.3	29.8
Balance at 30 Sep 2007	273.6	654.2	109.8	2.6	(1.6)	2.7	(16.2)	71.8	1,096.9
Net exchange translation difference not recognised in the income statement	-	-	(13.2)	-	-	-	-	-	(13.2)
Changes in fair value of financial assets and liabilities:									
- available for sale investments	-	-	-	1.7	-	-	-	-	1.7
Net gains recognised directly in equity	-	-	(13.2)	1.7	-	-	-	-	(11.5)
Net profit for the period	-	-	-	-	-	-	-	15.8	15.8
Total recognised income and expense for the period	-	-	(13.2)	1.7	-	-	-	15.8	4.3
Balance at 31 Dec 2007	273.6	654.2	96.6	4.3	(1.6)	2.7	(16.2)	87.6	1,101.2
Balance at 1 Jul 2006	273.6	654.2	12.6	(4.9)	(1.6)	2.7	(16.2)	75.1	995.5
Net exchange translation difference not recognised in the income statement	-	-	15.2	-	-	-	-	-	15.2
Changes in fair value of financial assets and liabilities:									
- available for sale investments	-	-	-	2.1	-	-	-	-	2.1
Net gains recognised directly in equity	-	-	15.2	2.1	-	-	-	-	17.3
Net profit for the period	-	-	-	-	-	-	-	5.7	5.7
Total recognised income and expense for the period	-	-	15.2	2.1	-	-	-	5.7	23.0
Balance at 30 Sep 2006	273.6	654.2	27.8	(2.8)	(1.6)	2.7	(16.2)	80.8	1,018.5
Net exchange translation difference not recognised in the income statement	-	-	41.2	-	-	-	-	-	41.2
Net gains recognised directly in equity	-	-	41.2	-	-	-	-	-	41.2
Net profit for the period	-	-	-	-	-	-	-	2.8	2.8
Total recognised income and expense for the period	-	-	41.2	-	-	-	-	2.8	44.0
First and final dividend of SGD0.035 per share for the year ended 30 June 2006	-	-	-	-	-	-	-	(30.2)	(30.2)
Balance at 31 Dec 2006	273.6	654.2	69.0	(2.8)	(1.6)	2.7	(16.2)	53.4	1,032.3

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 2007	273.6	654.2	(1.6)	2.7	(16.2)	154.4	1,067.1
Net profit for the period	-	-	-	-	-	29.8	29.8
Total recognised income and expense for the period	-	-	-	-	-	29.8	29.8
Balance at 30 Sep 2007	273.6	654.2	(1.6)	2.7	(16.2)	184.2	1,096.9
Net profit for the period	-	-	-	-	-	4.3	4.3
Total recognised income and expense for the period	-	-	-	-	-	4.3	4.3
Balance at 31 Dec 2007	273.6	654.2	(1.6)	2.7	(16.2)	188.5	1,101.2
Balance at 1 Jul 2006	273.6	654.2	(1.6)	2.7	(16.2)	82.8	995.5
Net profit for the period	-	-	-	-	-	23.0	23.0
Total recognised income and expense for the period	-	-	-	-	-	23.0	23.0
Balance at 30 Sep 2006	273.6	654.2	(1.6)	2.7	(16.2)	105.8	1,018.5
Net profit for the period	-	-	-	-	-	44.0	44.0
Total recognised income and expense for the period	-	-	-	-	-	44.0	44.0
First and final dividend of SGD0.035 per share for the year ended 30 June 2006	-	-	-	-	-	(30.2)	(30.2)
Balance at 31 Dec 2006	273.6	654.2	(1.6)	2.7	(16.2)	119.6	1,032.3

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 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

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 or reviewed.

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 2007 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	
	1st Half 1 Jul to 31 Dec 07	1 st Half 1 Jul to 31 Dec 06	2nd Qtr 1 Oct to 31 Dec 07	2 nd Qtr 1 Oct to 31 Dec 06
Basic earnings per share (US cents)	2.2	0.6	1.2	0.2
Diluted earnings per share (US cents)	2.2	0.6	1.2	0.2

Basic earnings per share for the current and preceding years are calculated based on the weighted average number of shares of 1,348 million ordinary shares.

Diluted earnings per share for the current and preceding years are calculated based on the weighted average number of shares of 1,348 million ordinary 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 1st Half 31 Dec 07	Audited Full Year 30 Jun 07
Net assets per share (US cents)		
The Group	81.7	79.2
The Company	81.7	79.2

Net asset value per share is calculated based on the weighted average number of shares of 1,348 million ordinary shares in issue during the current and corresponding year respectively.

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

The profit after tax for the financial period ended 31 December 2007 was US\$30.1 million compared to US\$8.5 million in the previous financial period. The following factors affected the profit before tax:

Revenue

- This has increased by 30.6% compared with the corresponding quarter of FY06/07, due principally to better hotel business in the UK and higher sales of properties in Denarau, bringing total revenue for the first half of FY07/08 to US\$295.7 million or 46.8% above that of FY06/07.
- For the Group's hotel segment, occupancy rate and average room rate respectively have enjoyed growth. In addition, the strength of the British pound has contributed to the improved revenue.

Bass Strait Oil and Gas royalty

- With the expiry of the ordinary units in April 2007, the residual 11.96 million units owned by the Group would therefore now be entitled to the full royalty distribution. This has contributed to an increase in royalty income in the current quarter and in the first half of FY07/08.

Gain on sale of investment

- The Group recorded a gain on sale of investment of US\$3.3 million in the current quarter due mainly to the completion of sale of one of the Group's investments.

Other operating income

- This has increased in the current quarter chiefly attributable to higher management fee in the hotel operation, which brings the total other operating income to US\$13.6 million in the first half of FY07/08 or 61.9% above that of FY06/07.

Direct costs of raw materials, consumable and services

- This has increased generally due to a raised level of activity and thus higher revenue in the Group's property development and hotel operation, and lower start up costs of the gaming operations in the corresponding period of FY06/07.

Personnel expenses

- This has increased in both the current quarter and the first half of FY07/08 principally because of high level of support for the hotel operation.

Other Operating expenses

- The increase in the current quarter is partially due to higher office and administration expenses in the hotel operation in support of higher business volumes and partly due to lower expenses incurred in the gaming operation in the corresponding period of FY06/07.

Net financing costs

- Net financing cost is higher in the first half of FY07/08 predominantly due to funding cost for the newly acquired gaming business, which started incurring costs towards the end of the second quarter of FY06/07.

Balance Sheet

- Development properties as at 31 December 2007 decreased by US\$44.6 million due mainly to sales of properties in the Group's projects in Fiji.
- Loans and borrowings were lower as at 31 December 2007 compared to 30 June 2007 due mainly to repayment of project loans for the Group's property development in Fiji.
- Cash and bank balances as at 31 December 2007 showed an increase after accounting for profits generated from operations, proceeds from disposal of investments, repayment of loans and interest payments.
- Shareholders funds of the Group increased from US\$1,067 million as at 30 June 2007 to US\$1,101 million as at 31 December 2007 due mainly to profits made for the half year as well as the appreciation of the GBP against the USD for the Group's hotel assets.

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 prevailing uncertain global economic conditions remain to be relevant factors that may affect the Group's ongoing operational performance. Subject to these and other unforeseen external factors, we are not aware of any known factors that may affect the Group in the next 12 months.

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?

Not applicable.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

BY ORDER OF THE BOARD

Linda Hoon
Group General Counsel / Group Company Secretary

24/01/2008



GuocoLeisure Limited

STATEMENT PURSUANT TO SGX LISTING RULE 705(4) OF THE LISTING MANUAL

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 interim consolidated financial results of GuocoLeisure Limited for the second quarter and half year ended 31 December 2007, to be false or misleading in any material respect.

On behalf of the Board of Directors

Quek Leng Chan
Director

Reggie Thein
Director

GuocoLeisure Limited

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