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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 MARKET UPDATE ON THE RANK GROUP PLC

This announcement is made by Guoco Group Limited (“Guoco” or the “Company”) on a voluntary basis. The Rank Group Plc (“Rank”, together with its subsidiaries, the “Rank Group”), a subsidiary of Guoco and listed on London Stock Exchange Plc (“LSE”), published a market update on 3 July 2020 regarding, among other things, the reopening of its bingo clubs and other trading updates as follows:

Initially Rank will be opening 35 Mecca bingo clubs in England. A further 30 venues are expected to open in a phased approach throughout July and August including, when permitted, their venues in Scotland and Wales. The remaining 12 venues will remain closed until October whilst Rank assesses their ongoing viability. Some restructuring of the cost base and format of these venues is likely to be necessary to allow them to reopen, including renegotiation of rents.

Working with its casino trade body, the Betting and Gaming Council (BGC), the Rank Group is continuing to engage with its government as it seeks to secure a date for the reopening of Grosvenor’s casino estate. Rank will provide a further update when progress can be announced. Its Enracha clubs in Spain started to reopen from 10 June 2020 and all are now open. The Rank Group’s revenues have been at approximately 60% of pre Covid-19 levels. The digital business continued to trade well, delivering aggregate Q4 revenue growth of circa 17% on a proforma¹ basis. This was despite the impact on Stride Gaming Plc’s proprietary brands of additional safer gambling and customer due diligence measures implemented to bring them in line with Rank policy.

Underlying operating profit of the Rank Group for the year ended 30 June 2020 is expected to be at the lower end of the previously provided guidance range of £48 million to £58 million after the International Financial Reporting Standard 16 (“IFRS16”) (£40 million to £50 million pre-IFRS16) due to the venues reopening costs being expensed.

¹ Stride Gaming Plc pre-acquisition performance included

Monthly net cash outflow of the Rank Group has also been in line with previous guidance, with cash and available facilities at 1 July 2020 of approximately £140 million. The board of directors of Rank still expects that Rank will meet its banking covenants at 30 June 2020. With the reopening of Mecca, it expects the monthly cash outflow to be reduced from circa £10 million per month to £7 million per month and to be cashflow positive upon the reopening of Grosvenor, assuming that revenues are in line with those achieved in Enracha, and before the repayment of deferred duty and rental payments. Rank continues to review opportunities for maintaining appropriate levels of liquidity for the Rank Group.

Rank will announce its preliminary results on 19 August 2020.

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: *The market update of Rank dated 3 July 2020 is 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, 3 July 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.