

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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First 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 *	Seok Hui Blackwell
Designation *	Group Company Secretary
Date & Time of Broadcast	16-Oct-2008 18:31:39
Announcement No.	00142

>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	30-09-2008
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Attachments
 [FirstQuarter30Sep08.pdf](#)

Total size = **258K**
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Unaudited First 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 1 st Qtr		Increase/ (Decrease) %
	1 Jul to 30 Sep 08 US\$m	1 Jul to 30-Sep-07 US\$m	
Revenue	113.6	160.9	-29.4%
Bass Strait oil and gas royalty	11.3	3.6	213.9%
Other operating income	3.1	7.7	-59.7%
Direct costs of raw materials and consumables	(55.8)	(97.0)	-42.5%
Personnel expenses	(30.4)	(31.8)	-4.4%
Other operating expenses	(7.4)	(4.1)	80.5%
PROFIT BEFORE DEPRECIATION & AMORTISATION	34.4	39.3	-12.5%
Depreciation and impairment	(6.2)	(8.4)	-26.2%
Amortisation	(1.7)	(1.6)	6.2%
PROFIT BEFORE FINANCING COSTS	26.5	29.3	-9.6%
Interest and other financing cost on borrowing	(12.1)	(13.8)	-12.3%
Interest income	3.0	2.7	11.1%
Net foreign exchange gain / (loss)	1.9	(1.0)	N.A
PROFIT BEFORE TAX	19.3	17.2	12.2%
Income tax expenses	(1.6)	(2.9)	-44.8%
NET PROFIT FOR THE PERIOD	17.7	14.3	23.8%

NOTE TO INCOME STATEMENT

	Unaudited 1 st Qtr		Increase/ (Decrease) %
	1 Jul to 30 Sep 08 US\$m	1 Jul to 30-Sep-07 US\$m	
Profit before tax is stated after (charging)/crediting:			
Other operating income:			
Management fees	0.6	1.8	-66.7%
Other fees	-	3.5	-100.0%
Amortisation:			
Amortisation of Bass Strait oil and gas royalty	(1.7)	(1.6)	-6.2%
Realised exchange loss on financial derivatives	(3.1)	-	100%

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 30-Sep-08	Audited 30-Jun-08	Unaudited 30-Sep-08	Audited 30-Jun-08
	US\$m	US\$m	US\$m	US\$m
ASSETS				
Hotels, property, plant and equipment	1,326.1	1,459.1	-	-
Intangible assets	169.5	199.2	-	-
Investment in subsidiaries	-	-	1,221.5	1,270.7
Other investments	10.7	12.1	-	-
TOTAL NON-CURRENT ASSETS	1,506.3	1,670.4	1,221.5	1,270.7
Inventories	1.0	1.1	-	-
Development properties	194.7	199.9	-	-
Trade and other receivables	84.5	96.6	0.3	0.3
Advances to subsidiaries	-	-	346.6	423.5
Cash and cash equivalents	20.0	39.6	-	-
TOTAL CURRENT ASSETS	300.2	337.2	346.9	423.8
TOTAL ASSETS	1,806.5	2,007.6	1,568.4	1,694.5
LESS LIABILITIES				
Loans and borrowings	67.6	97.5	67.6	93.0
Trade and other payables	79.6	95.5	1.2	1.3
Corporate tax payable	0.9	-	-	-
Provisions	4.4	7.8	0.4	0.4
TOTAL CURRENT LIABILITIES	152.5	200.8	69.2	94.7
Advances from subsidiaries	-	-	456.6	470.7
Loans and borrowings	470.6	521.4	-	-
Provisions	15.2	18.6	-	-
Deferred tax liabilities	125.6	137.7	-	-
TOTAL NON-CURRENT LIABILITIES	611.4	677.7	456.6	470.7
TOTAL LIABILITIES	763.9	878.5	525.8	565.4
NET ASSETS	1,042.6	1,129.1	1,042.6	1,129.1
SHARE CAPITAL AND RESERVES	1,042.6	1,129.1	1,042.6	1,129.1

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

Amount repayable in one year or less, or on demand

As at 30 Sep 2008		As at 30 Jun 2008	
Secured	Unsecured	Secured	Unsecured
-	67.6	4.5	93.0

Amount repayable after one year

As at 30 Sep 2008		As at 30 Jun 2008	
Secured	Unsecured	Secured	Unsecured
470.6	-	521.4	-

Details of any collateral

As at 30 September 2008, the Group's unsecured borrowings that were repayable in one year or less stood at US\$67.6 million. The Group continues to have committed banking lines to meet its funding requirements.

The Group's long term borrowings totalled US\$470.6m were secured on three hotels owned by the Group with a total net book value of US\$685.2m.

As at 30 September 2008, one hotel with a net book value of US\$294.6m was charged as security for a letter of credit facility from a bank with a facility limit of US\$50.1m.

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	
	1 st Qtr 1 Jul to 30 Sep 08 US\$m	1 st Qtr 1 Jul to 30 Sep 07 US\$m
OPERATING ACTIVITIES		
Profit before financing costs and exchange gain / (loss)	26.5	29.3
Adjustments for non-cash items		
Depreciation of hotels, property, plant and equipment	6.2	8.4
Amortisation of Bass Strait oil and gas royalty	1.7	1.6
Other non-cash items	0.3	-
Provisions (net)	(2.6)	-
Net change in working capital items		
Inventories / Development properties	3.3	39.9
Trade and other receivable	12.1	11.3
Trade and other payables	(15.9)	(4.7)
Provision utilised	(4.2)	(3.2)
Income tax paid	-	(1.0)
Other operating cash flows	(1.2)	(0.2)
CASH FLOWS FROM OPERATING ACTIVITIES	26.2	81.4
INVESTING ACTIVITIES		
Proceeds from sale of plant and equipment	0.2	0.1
Proceed from sale of investments	1.1	-
Acquisition of hotels, property, plant and equipment	(8.7)	(5.4)
Acquisition of other investments	-	(0.1)
CASH FLOWS FROM INVESTING ACTIVITIES	(7.4)	(5.4)
FINANCING ACTIVITIES		
Drawdown of short-term borrowings	40.0	19.6
Repayment of short-term borrowings	(69.9)	(61.6)
Interest received	0.6	1.0
Interest paid	(2.6)	(13.7)
Realised exchange loss on financial derivatives	(3.1)	-
CASH FLOWS FROM FINANCING ACTIVITIES	(35.0)	(54.7)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(16.2)	21.3
Cash and cash equivalents at beginning of the year	39.6	47.1
Effect of exchange rate fluctuations on cash held	(3.4)	(1.0)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	20.0	67.4

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	Contributed Surplus	Translation Reserve	Fair Value Reserve	Capital Reserve Share Based Payment	Equity Compensation Reserve	Reserve for Own Shares	Retained Earnings	Total
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
Balance at 1 Jul 2008	273.6	654.2	112.1	1.5	(1.6)	3.6	(28.5)	114.2	1,129.1
Net exchange translation difference relating to financial statements of foreign subsidiaries	-	-	(104.3)	-	-	-	-	-	(104.3)
Changes in fair value of financial assets and liabilities: - available for sale investments	-	-	-	(0.2)	-	-	-	-	(0.2)
Net gains recognised directly in equity	-	-	(104.3)	(0.2)	-	-	-	-	(104.5)
Net profit for the period	-	-	-	-	-	-	-	17.7	17.7
Total recognised income and expense for the period	-	-	(104.3)	(0.2)	-	-	-	17.7	(86.8)
Value of employee services received for issue of share options	-	-	-	-	-	0.3	-	-	0.3
Balance at 30 Sep 2008	273.6	654.2	7.8	1.3	(1.6)	3.9	(28.5)	131.9	1,042.6
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 relating to financial statements of foreign subsidiaries	-	-	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

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 2008	273.6	654.2	(1.6)	2.7	(28.5)	228.7	1,129.1
Net profit/(loss) for the period	-	-	-	-	-	(86.5)	(86.5)
Total recognised income and expense for the period	-	-	-	-	-	(86.5)	(86.5)
Balance at 30 Sep 2008	273.6	654.2	(1.6)	2.7	(28.5)	142.2	1,042.6
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

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

Number of shares (million)	
(a) Issued and fully paid ordinary shares:- Balance at beginning and end of reporting period	1,368.1
(b) Issue of share options:- Balance at beginning year	14.1
Granted during the period	-
Lapsed during the period	-
Balance at end of period	14.1

	As at 30 Sep 08 million	As at 30 Sep 07 million
No. of shares that would be transferred by the Trust to eligible employees to satisfy the outstanding share options under the Share Option Plan	14.1	-

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.

The total number of issued shares for both as at the end of the current financial period and as at the end of the immediately preceding year were 1,368.1 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.

Other than shares held by an independent Trust for the purpose of the Group's Value Creation Share Incentive Scheme, the Company did not hold any treasury shares as at 30 September 2008.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares for the three months ended 30 September 2008.

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 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 2008 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

	Group Unaudited 1 st Qtr	
	1 Jul to 30 Sep 08	1 Jul to 30 Sep 07
Basic earnings per share (US cents)	1.3	1.1
Diluted earnings per share (US cents)	1.3	1.1

Both Basic and Diluted earnings per share for the current and preceding years are calculated based on the weighted average number of shares of 1,328.1 million shares and 1,347.6 million shares respectively.

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	Audited
	1 st Qtr	Full Year
Net assets per share (US cents)	30 Sep 08	30 Jun 08
The Group	78.5	84.2
The Company	78.5	84.2

Net asset value per share is calculated based on the weighted average number of shares of 1,328.1 million and 1,347.6 million ordinary shares in issue during the current financial period and immediately preceding 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

Income Statement

Profit after tax for the first quarter ended 30th September 2008 was US\$17.7 million compared to US\$14.3 million in the previous corresponding quarter, an increase of 23.8%. Excluding a recovery of claims previously written off in the previous corresponding quarter, profit after tax for the current quarter was 108.2% higher y-o-y. The following factors affected the profit after tax:

Revenue

- For the quarter ended 30th September 2008, revenue decreased by 29.4% y-o-y to US\$113.6 million, caused by mainly depreciation of GBP against US\$, lower revenues from the hotel and the property development segments, which is partly offset by higher win revenue in the Gaming segment. Excluding currency effect, revenue was lower by 24.7% y-o-y.

Bass Strait oil and gas royalty

- Royalty income from the Oil & Gas production in Australia grew by 213.9% y-o-y for the quarter ended 30 September 2008 principally attributable to the recent escalation of crude oil price.

Other operating income

- Other operating income declined by 59.7% y-o-y for the reporting quarter due mainly to lower hotel management fee and other one-off fees.

Direct costs of raw materials, consumable and services

- Direct cost reduced by 42.5% y-o-y in tandem with the decline in revenue for the quarter ended 30th September 2008. Excluding currency effect, direct cost was down by 38% y-o-y.

Personnel expenses

- There was a reduction of personnel expenses y-o-y in the quarter ended 30th September 2008 chiefly due to the effect of cost rationalization undertaken in the previous financial year in gaming and property development segments.

Other Operating expenses

- Other operating expenses for the current quarter increased by 80.5% y-o-y due mainly to the one-off write back of provision in the corresponding quarter of previous financial year. Excluding the one-off recovery of claims previously written off, other operating expenses for the current quarter was lower 24.5% y-o-y due to the effect of cost rationalization undertaken in the previous financial year in gaming and property development segments.

Net financing costs

- Lower net financing cost for the current quarter ended 30th September 2008 was predominantly attributable to lower outstanding loans as at September 2008.

Balance Sheet

- Total assets reduced by US\$202 million or 10% due mainly to the weakening of the AUD and GBP against the USD. The reduction in cash and cash equivalents was mainly due to loan repayments during the current quarter. Correspondingly, there was a reduction in short term borrowings as at 30 September 2008.
- Trade receivables and payables were lower mainly due to the weakening of the GBP against USD.
- The reduction in the Group's GBP denominated long term debt was mainly due to the weakening of the GBP against the USD.
- Total share capital and reserves also recorded a drop of 8% due mainly to the weakening of the AUD and GBP in which the Group's operating assets are denominated in, against the USD.

Cash Flow Statement

- Net cash generated of US\$21.3 million for the previous corresponding quarter as compared to a decrease in cash of US\$16.2 million in the current quarter was mainly due to sales of development properties in Denarau, Fiji in the previous corresponding quarter.

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 reporting period and 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? 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.

BY ORDER OF THE BOARD

**Seok Hui Blackwell
Group Company Secretary**

16 October 2008



GuocoLeisure Limited
A Member of the Hong Leong Group

STATEMENT PURSUANT TO LISTING RULE 705(4) OF THE SGX-ST 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 statements of GuocoLeisure Limited for the first quarter ended 30 September 2008, false or misleading in any material respect.

**On behalf of the Board of Directors of
GuocoLeisure Limited**

Quek Leng Chan
Executive Chairman

Reggie Thein
Director