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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 13.09(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 Group Limited currently comprises Mr. Quek Leng Chan as Executive Chairman; Mr. Kwek Leng Hai as President, CEO; Mr. Tan Lim Heng and Mr. Ding Wai Chuen as executive directors; Mr. Kwek Leng San as non-executive director and Mr. Sat Pal Khattar, Mr. Volker Stoeckel and Mr. Roderic N. A. Sage as independent non-executive directors.

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**First Quarter Results \* Financial Statement And Related 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	15-Oct-2010 17:37:41
Announcement No.	00068

**>> Announcement Details**

The details of the announcement start here ...

For the Financial Period Ended *	30-09-2010
Description	Please refer to the attachment.

**Attachments**

 [FirstQuarterEnded30Sep2010.pdf](#)  
 Total size = **382K**  
 (2048K size limit recommended)

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## GuocoLeisure Limited

A member of the Hong Leong Group

### Unaudited First Quarter Financial Statement And Dividend Announcement

1(a)(i) An Income Statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Unaudited 1 <sup>st</sup> Qtr		Increase/ (Decrease) %
	1 Jul to 30 Sep 10 US\$m	1 Jul to 30 Sep 09 US\$m	
Revenue	102.2	84.5	20.9%
Bass Strait oil and gas royalty	11.2	10.3	8.7%
Gain on disposal of investments / assets	0.2	-	100.0%
Other operating income	1.9	2.4	(20.8%)
Direct costs of raw materials and consumables	(48.5)	(41.8)	16.0%
Personnel expenses	(22.6)	(21.9)	3.2%
Other operating expenses	(6.9)	(6.9)	0.0%
<b>PROFIT BEFORE DEPRECIATION &amp; AMORTISATION</b>	<b>37.5</b>	<b>26.6</b>	<b>41.0%</b>
Depreciation and impairment	(5.3)	(6.1)	(13.1%)
Amortisation	(1.8)	(1.6)	12.5%
<b>PROFIT BEFORE FINANCING COSTS</b>	<b>30.4</b>	<b>18.9</b>	<b>60.8%</b>
Finance costs	(9.4)	(10.2)	(7.8%)
Finance income	2.0	2.1	(4.8%)
Net foreign exchange (loss) / gain	(2.0)	1.8	NM
<b>PROFIT BEFORE TAX</b>	<b>21.0</b>	<b>12.6</b>	<b>66.7%</b>
Income tax expenses	(4.3)	(0.6)	616.7%
<b>NET PROFIT FOR THE PERIOD</b>	<b>16.7</b>	<b>12.0</b>	<b>39.2%</b>

**NOTE TO INCOME STATEMENT**

	Unaudited 1 <sup>st</sup> Qtr		Increase/ (Decrease) %
	1 Jul to 30 Sep 10 US\$m	1 Jul to 30 Sep 09 US\$m	
Profit before tax is stated after (charging) / crediting:			
Gain on disposal of investments / assets:			
Gain on disposal of investments	0.2	-	100.0%
Direct costs of raw materials and consumables:			
Provision for doubtful debts	(0.1)	-	100.0%
Amortisation:			
Amortisation of Bass Strait oil and gas royalty	(1.8)	(1.6)	12.5%

**1(a)(ii) Statement of Comprehensive Income**

	Unaudited 1 <sup>st</sup> Qtr		Increase/ (Decrease) %
	1 Jul to 30 Sep 10 US\$m	1 Jul to 30 Sep 09 US\$m	
Profit for the period	16.7	12.0	39.2%
Other comprehensive income:			
Net exchange translation difference relating to financial statements of foreign subsidiaries	56.2	(22.2)	NM
Net change in fair value on available for sale investments	3.1	1.2	158.3%
Other comprehensive income for the period, net of income tax	59.3	(21.0)	NM
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	76.0	(9.0)	NM

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 30-Sep-10 US\$m	Audited 30-Jun-10 US\$m	Unaudited 30-Sep-10 US\$m	Audited 30-Jun-10 US\$m
<b>ASSETS</b>				
Hotels, property and equipment	1,157.2	1,093.7	-	-
Intangible assets	178.9	162.7	-	-
Investment in subsidiaries	-	-	1,247.9	1,183.1
Other investments	11.4	9.2	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,347.5</b>	<b>1,265.6</b>	<b>1,247.9</b>	<b>1,183.1</b>
Inventories	0.8	0.7	-	-
Development properties	178.4	178.5	-	-
Trade and other receivables	77.1	72.6	0.2	0.2
Advances to subsidiaries	-	-	142.7	141.5
Cash and cash equivalents	63.0	30.4	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>319.3</b>	<b>282.2</b>	<b>142.9</b>	<b>141.7</b>
<b>TOTAL ASSETS</b>	<b>1,666.8</b>	<b>1,547.8</b>	<b>1,390.8</b>	<b>1,324.8</b>
<b>LESS LIABILITIES</b>				
Loans and borrowings	44.5	54.0	44.5	54.0
Trade and other payables	103.4	75.8	1.9	1.7
Corporate tax payable	11.7	9.4	-	-
Provisions	1.1	1.3	-	0.2
<b>TOTAL CURRENT LIABILITIES</b>	<b>160.7</b>	<b>140.5</b>	<b>46.4</b>	<b>55.9</b>
Advances from subsidiaries	-	-	298.0	298.5
Loans and borrowings	392.8	373.0	-	-
Provisions	6.0	6.8	-	-
Deferred tax liabilities	60.9	57.1	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>459.7</b>	<b>436.9</b>	<b>298.0</b>	<b>298.5</b>
<b>TOTAL LIABILITIES</b>	<b>620.4</b>	<b>577.4</b>	<b>344.4</b>	<b>354.4</b>
<b>NET ASSETS</b>	<b>1,046.4</b>	<b>970.4</b>	<b>1,046.4</b>	<b>970.4</b>
<b>SHARE CAPITAL AND RESERVES</b>	<b>1,046.4</b>	<b>970.4</b>	<b>1,046.4</b>	<b>970.4</b>

**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 2010		As at 30 Jun 2010	
Secured	Unsecured	Secured	Unsecured
-	44.5	-	54.0

**Amount repayable after one year**

As at 30 Sep 2010		As at 30 Jun 2010	
Secured	Unsecured	Secured	Unsecured
392.8	-	373.0	-

**Details of any collateral**

As at 30 September 2010, the Group's unsecured borrowings that were repayable in one year or less stood at US\$44.5 million. The Group continues to have committed banking lines to meet its funding requirements.

The Group's long term borrowings of US\$392.8 million are secured on three hotels owned by the Group with a total net book value of US\$596.7 million.

In addition, another hotel with a net book value of US\$254.4 million is charged as security for a letter of credit facility from a bank as a result of a guarantee given by the Group. The maximum liability in any one year under the guarantee is US\$44.0 million (£27.7 million) and the maximum aggregate liability under the guarantee is US\$88.0 million (£55.4 million).

**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 <sup>st</sup> Qtr 1 Jul to 30 Sep 10 US\$m	1 <sup>st</sup> Qtr 1 Jul to 30 Sep 09 US\$m
<b>OPERATING ACTIVITIES</b>		
Profit before financing costs and exchange gain / (loss)	30.4	18.9
Adjustments for non-cash items		
Depreciation of hotels, property and equipment	5.3	6.1
Amortisation of Bass Strait oil and gas royalty	1.8	1.6
Gain on disposal of investments / assets	(0.2)	-
Provisions (net)	0.5	0.4
Net change in working capital items		
Inventories / development properties	0.2	0.1
Trade and other receivables	(4.5)	1.9
Trade and other payables	18.2	8.7
Provision utilised	(1.6)	(1.5)
Income tax paid	(2.9)	(0.1)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>47.2</b>	<b>36.1</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of equipment	-	0.1
Proceeds from sale of investment	1.2	-
Acquisition of hotels, property and equipment	(5.1)	(1.7)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(3.9)</b>	<b>(1.6)</b>
<b>FINANCING ACTIVITIES</b>		
Drawdown of short-term borrowings	13.1	-
Repayment of short-term borrowings	(26.1)	(17.5)
Interest received	0.1	0.1
Interest paid	(0.1)	(0.4)
Other financing costs	(0.1)	(0.1)
Realised exchange gain on financial derivatives	0.4	-
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(12.7)</b>	<b>(17.9)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>30.6</b>	<b>16.6</b>
Cash and cash equivalents at beginning of the year	30.4	22.3
Effect of exchange rate fluctuations on cash held	2.0	(0.8)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>63.0</b>	<b>38.1</b>

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 2010	273.6	654.2	(127.2)	2.3	(1.6)	2.7	(28.5)	194.9	970.4
Profit for the period	-	-	-	-	-	-	-	16.7	16.7
Other comprehensive income:									
Net exchange translation difference relating to financial statements of foreign subsidiaries	-	-	56.2	-	-	-	-	-	56.2
Changes in fair value of available for sale investments	-	-	-	3.1	-	-	-	-	3.1
Total other comprehensive income, net of income tax	-	-	56.2	3.1	-	-	-	-	59.3
Total comprehensive income for the period, net of income tax	-	-	56.2	3.1	-	-	-	16.7	76.0
Balance at 30 Sep 2010	273.6	654.2	(71.0)	5.4	(1.6)	2.7	(28.5)	211.6	1,046.4
Balance at 1 Jul 2009	273.6	654.2	(57.2)	(1.0)	(1.6)	2.7	(28.5)	159.8	1,002.0
Profit for the period	-	-	-	-	-	-	-	12.0	12.0
Other comprehensive income:									
Net exchange translation difference relating to financial statements of foreign subsidiaries	-	-	(22.2)	-	-	-	-	-	(22.2)
Changes in fair value of available for sale investments	-	-	-	1.2	-	-	-	-	1.2
Total other comprehensive income, net of income tax	-	-	(22.2)	1.2	-	-	-	-	(21.0)
Total comprehensive income for the period, net of income tax	-	-	(22.2)	1.2	-	-	-	12.0	(9.0)
Balance at 30 Sep 2009	273.6	654.2	(79.4)	0.2	(1.6)	2.7	(28.5)	171.8	993.0



### 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 2010	273.6	654.2	(1.6)	2.7	(28.5)	70.0	970.4
Net profit for the period	-	-	-	-	-	76.0	76.0
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period, net of income tax	-	-	-	-	-	76.0	76.0
Balance at 30 Sep 2010	273.6	654.2	(1.6)	2.7	(28.5)	146.0	1,046.4
Balance at 1 Jul 2009	273.6	654.2	(1.6)	2.7	(28.5)	101.6	1,002.0
Net loss for the period	-	-	-	-	-	(9.0)	(9.0)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period, net of income tax	-	-	-	-	-	(9.0)	(9.0)
Balance at 30 Sep 2009	273.6	654.2	(1.6)	2.7	(28.5)	92.6	993.0

**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**

Issued Shares & Share Options	1st Quarter ended 30 September 2010
(a) Issued and fully paid ordinary shares: As at 1 July and 30 September 2010	1,368,063,633
(b) Issue of share options: As at 1 July 2010	11,800,000
Options lapsed As at 30 September 2010	<u>-</u>
	<u>11,800,000</u>

	As at 30 Sep 10	As at 30 Sep 09
No. of shares that would be transferred by the Trust to eligible employees to satisfy the outstanding share options under the GL Value Creation Incentive Share Scheme	11,800,000	11,800,000

**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 as at the end of the current financial period and as at the end of the immediately preceding year was 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.**

The Company did not hold any treasury shares as at 30 September 2010.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares for the period ended 30 September 2010.

**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 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 2010 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 <sup>st</sup> Qtr	
	1 Jul to 30 Sep 10	1 Jul to 30 Sep 09
Basic earnings per share (US cents)	1.3	0.9
Diluted earnings per share (US cents)	1.3	0.9

Both basic and diluted earnings per share for the current and previous corresponding financial quarter were calculated based on the weighted average number of shares of 1,328.1 million.

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.**

	<b>Unaudited</b>	<b>Audited</b>
	<b>1<sup>st</sup> Qtr</b>	<b>Full Year</b>
<b>Net assets per share (US cents)</b>	<b>30 Sep 10</b>	<b>30 Jun 10</b>
The Group	<b>78.8</b>	73.1
The Company	<b>78.8</b>	73.1

Net asset value per share was calculated based on the weighted average number of shares of 1,328.1 million in issue during the current financial quarter 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 quarter ended 30 September 2010 stood at US\$16.7 million, an increase of 39.2% as compared to US\$12.0 million in the previous corresponding quarter. The following review sets out the factors that affected profit after tax for the period:

#### **Revenue**

For the quarter ended 30 September 2010, revenue increased by 20.9% quarter-on-quarter (q-o-q) to US\$102.2 million due mainly to higher revenues from hotel operations as well as higher gaming wins.

#### **Bass Strait oil and gas royalty**

Income from the Bass Strait oil and gas royalty in Australia increased by 8.7% q-o-q due principally to higher royalties received as a result of higher average crude oil and gas prices in the current quarter as compared to the same period a year ago.

#### **Gain on sale of investments**

There was a gain of US\$0.2 million from the disposal of an investment in the current quarter.

#### **Other operating income**

Other operating income declined by 20.8% for the quarter ended 30 September 2010 due mainly to one-off litigation proceeds received by the Group in the previous corresponding quarter.

#### **Direct costs of raw materials, consumables and services**

The increase in direct costs of raw materials, consumables and services by 16.0% q-o-q was in tandem with the increase in revenues for the quarter.

#### **Personnel expenses**

The increase in personnel expenses q-o-q was mainly due to the recruitment of sales and marketing teams for the UK hotel operations as well as personnel for the Asian hotel operations. This is in line with the Group's business strategy to expand its hotel business.

#### **Other operating expenses**

There was no significant change in other operating expenses for the current quarter.

#### Tax expenses

Income tax was lower in the previous corresponding quarter due to the utilisation of brought forward losses.

#### Net financing costs

Lower net financing costs for the quarter ended 30 September 2010 were predominantly attributable to lower outstanding short-term borrowings.

### **Statement of Comprehensive Income**

Total comprehensive income for the quarter ended 30 September 2010 stood at US\$76.0 million. This was mainly due to a foreign exchange translation gain of US\$56.2 million as a result of translating the books of the Group's UK subsidiaries which are denominated in GBP into the Group's reporting currency, which is USD. The GBP against USD rate as at 30 September 2010 was higher by 6% at 1.59 as compared to 1.50 as at 30 June 2010.

A positive mark-to-market valuation of one of the Group's investments also contributed to the increase in total comprehensive income for the current quarter.

When compared against the corresponding period in the previous year, the GBP rate as at 30 September 2009 declined by 4% as compared to 30 June 2009.

### **Statement of Financial Position**

The Group's net assets as at 30 September 2010 increased by 7.8% to US\$1.05 billion from US\$0.97 billion as at 30 June 2010 due principally to a net foreign exchange translation gain of US\$56.2 million, which arose from the translation of the Group's GBP-denominated assets into USD as explained above.

Excluding the effects of currency translation, other significant factors that affected the Group's assets and liabilities as at 30 September 2010 were as follows:

- a) Cash and cash equivalents – increase was due mainly to revenue generated from the hotel and gaming operations as well as royalty income received during the quarter.
- b) Trade and other payables – increase was due mainly to provisions for debenture interest and property rent payments which are paid semi-annually and quarterly respectively.
- c) Loans and borrowings – reduction was due to partial loan repayments.

### **Cash Flow Statement**

There was higher net cash of US\$30.6 million generated in the current quarter as compared with US\$16.6 million in the previous corresponding quarter. This was due mainly to improved profits in both the hotel and gaming segments in the current quarter as well as higher net repayments of short term borrowings 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**

Present global economic conditions remain uncertain. However, barring unforeseen circumstances, the Group is confident that it is well positioned to meet the uncertainty in the next reporting period and 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/recommendeded, a statement to that effect**

No dividend has been declared/recommendeded.

**13. 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 first quarter ended 30 September 2010 false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Seok Hui Blackwell**  
**Group Company Secretary**

**15 October 2010**



**GuocoLeisure Limited**  
A member of the Hong Leong Group

**STATEMENT PURSUANT TO RULE 705(5) 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 consolidated financial statements of GuocoLeisure Limited for the first quarter ended 30 September 2010 false or misleading in any material aspect.

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

**Quek Leng Chan**  
Executive Chairman

**Tim Scoble**  
Group Chief Executive Officer

**15 October 2010**