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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.

 Print this page

Second 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 *	NG POH KENG JOCELYN
Designation *	GROUP COMPANY SECRETARY
Date & Time of Broadcast	06-Feb-2012 17:19:10
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The details of the announcement start here ...	
For the Financial Period Ended *	31-12-2011
Description	Please refer attachment.
Attachments	 GL_Ann_2QResult2012_FinalSGX.pdf Total size = 306K (2048K size limit recommended)

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Unaudited Financial Statement And Related Announcement For Half-year and Second Quarter Ended 31 December 2011

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			Unaudited		
	1 st Half	1 st Half	Increase/ (Decrease) %	2 nd Qtr	2 nd Qtr	Increase/ (Decrease) %
	1 Jul to 31 Dec 11 US\$m	1 Jul to 31 Dec 10 US\$m		1 Oct to 31 Dec 11 US\$m	1 Oct to 31 Dec 10 US\$m	
Revenue	189.7	200.1	(5.2%)	92.9	97.9	(5.1%)
Bass Strait oil and gas royalty	31.3	22.3	40.4%	11.9	11.1	7.2%
Gain on disposal of investments / assets	0.2	1.6	(87.5%)	-	1.4	N.M
Other operating income	13.6	4.6	195.7%	3.1	2.7	14.8%
Direct costs of raw materials and consumables	(91.0)	(92.9)	(2.0%)	(45.1)	(44.4)	1.6%
Personnel expenses	(51.4)	(47.2)	8.9%	(25.6)	(24.6)	4.1%
Other operating expenses	(16.0)	(14.1)	13.5%	(8.7)	(7.2)	20.8%
PROFIT BEFORE DEPRECIATION & AMORTISATION	76.4	74.4	2.7%	28.5	36.9	(22.8%)
Depreciation	(11.9)	(10.7)	11.2%	(5.9)	(5.4)	9.3%
Amortisation	(2.2)	(3.6)	(38.9%)	(1.1)	(1.8)	(38.9%)
PROFIT BEFORE FINANCING COSTS	62.3	60.1	3.7%	21.5	29.7	(27.6%)
Finance costs	(17.4)	(18.4)	(5.4%)	(8.3)	(9.0)	(7.8%)
Finance income	4.9	4.1	19.5%	2.5	2.1	19.1%
Net foreign exchange gain / (loss)	1.3	(1.0)	N.M	0.8	1.0	(20.0%)
PROFIT BEFORE TAX	51.1	44.8	14.1%	16.5	23.8	(30.7%)
Income tax expense	(14.5)	(9.0)	61.1%	(4.0)	(4.7)	(14.9%)
NET PROFIT FOR THE PERIOD	36.6	35.8	2.2%	12.5	19.1	(34.6%)
NET PROFIT ATTRIBUTABLE TO:						
- Owners of the Company	37.0	35.8	3.4%	12.7	19.1	(33.5%)
- Non-controlling interests	(0.4)	-	N.M	(0.2)	-	N.M
NET PROFIT FOR THE PERIOD	36.6	35.8	2.2%	12.5	19.1	(34.6%)

Note: N.M - not meaningful

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 11 US\$m	1 Jul to 31 Dec 10 US\$m		1 Oct to 31 Dec 11 US\$m	1 Oct to 31 Dec 10 US\$m	
Profit before tax is stated after (charging) / crediting:						
Gain on disposal of investments / assets	0.2	1.6	(87.5%)	-	1.4	N.M
Other operating income	13.6	4.6	195.7%	3.1	2.7	14.8%
Amortisation	(2.2)	(3.6)	(38.9%)	(1.1)	(1.8)	(38.9%)
Income tax expenses	(14.5)	(9.0)	61.1%	(4.0)	(4.7)	(14.9%)

1(a)(ii) Statement of Comprehensive Income

	Unaudited		Increase/ (Decrease) %	Unaudited		Increase/ (Decrease) %
	1 st Half	1 st Half		2 nd Qtr	2 nd Qtr	
	1 Jul to 31 Dec 11 US\$m	1 Jul to 31 Dec 10 US\$m		1 Oct to 31 Dec 11 US\$m	1 Oct to 31 Dec 10 US\$m	
Net Profit for the period	36.6	35.8	2.2%	12.5	19.1	(34.6%)
Other comprehensive income:						
Net exchange translation difference relating to financial statements of foreign subsidiaries	(38.9)	42.5	N.M	(6.0)	(13.7)	(56.2%)
Net change in fair value of available-for sale investments	0.3	6.6	(95.5%)	0.3	3.5	(91.4%)
Other comprehensive income for the period, net of income tax	(38.6)	49.1	N.M	(5.7)	(10.2)	(44.1%)
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD	(2.0)	84.9	N.M	6.8	8.9	(23.6%)
TOTAL COMPREHENSIVE (LOSS) / INCOME ATTRIBUTABLE TO:						
- Owners of the Company	(1.5)	84.9	N.M	7.1	8.9	(20.2%)
- Non-controlling interest	(0.5)	-	N.M	(0.3)	-	N.M
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD	(2.0)	84.9	N.M	6.8	8.9	(23.6%)

Note: N.M - not meaningful

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	Audited	Unaudited	Audited
	31-Dec-11 US\$m	30-Jun-11 US\$m	31-Dec-11 US\$m	30-Jun-11 US\$m
ASSETS				
Hotels, property and equipment	1,157.0	1,189.3	-	-
Intangible assets	178.6	190.1	-	-
Investment in subsidiaries	-	-	1,319.1	1,298.3
Other investments	4.4	4.3	-	-
TOTAL NON-CURRENT ASSETS	1,340.0	1,383.7	1,319.1	1,298.3
Inventories	1.1	1.0	-	-
Development properties	176.9	178.3	-	-
Trade and other receivables	58.3	91.1	0.3	0.3
Advances to subsidiaries	-	-	117.5	140.8
Cash and cash equivalents	25.5	19.6	-	-
TOTAL CURRENT ASSETS	261.8	290.0	117.8	141.1
TOTAL ASSETS	1,601.8	1,673.7	1,436.9	1,439.4
LESS LIABILITIES				
Loans and borrowings	55.4	35.0	55.4	35.0
Trade and other payables	64.6	84.7	1.8	2.3
Corporate tax payable	4.3	6.6	-	-
Provisions	0.6	0.9	-	-
TOTAL CURRENT LIABILITIES	124.9	127.2	57.2	37.3
Advances from subsidiaries	-	-	298.5	298.5
Loans and borrowings	341.0	383.6	-	-
Provisions	8.1	11.5	-	-
Deferred tax liabilities	47.9	48.6	-	-
TOTAL NON-CURRENT LIABILITIES	397.0	443.7	298.5	298.5
TOTAL LIABILITIES	521.9	570.9	355.7	335.8
NET ASSETS	1,079.9	1,102.8	1,081.2	1,103.6
SHARE CAPITAL AND RESERVES				
Equity attributable to owners of the Company	1,081.2	1,103.6	1,081.2	1,103.6
Non-controlling interest	(1.3)	(0.8)	-	-
TOTAL EQUITY	1,079.9	1,102.8	1,081.2	1,103.6

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 2011		As at 30 Jun 2011	
Secured	Unsecured	Secured	Unsecured
-	55.4	-	35.0

Amount repayable after one year

As at 31 Dec 2011		As at 30 Jun 2011	
Secured	Unsecured	Secured	Unsecured
341.0	-	383.6	-

Details of any collateral

As at 31 December 2011, the Group's unsecured borrowings that were repayable in one year or less stood at US\$55.4 million. The Group continues to have adequate banking lines to meet its funding requirements.

The Group's long term borrowings of US\$341.0 million are secured on three hotels owned by the Group with a total net book value of US\$596.1 million.

In addition, another hotel with a net book value of US\$249.3 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 guarantee expires in April 2012 and the maximum liability under the guarantee is US\$42.7 million (£27.7 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		Unaudited	
	1 st Half 1 Jul to 31 Dec 11 US\$m	1 st Half 1 Jul to 31 Dec 10 US\$m	2 nd Qtr 1 Oct to 31 Dec 11 US\$m	2 nd Qtr 1 Oct to 31 Dec 10 US\$m
OPERATING ACTIVITIES				
Profit before financing costs	62.3	60.1	21.5	29.7
Adjustments for non-cash items				
Depreciation	11.9	10.7	5.9	5.4
Amortisation	2.2	3.6	1.1	1.8
Gain on disposal of investments / assets	(0.2)	(1.6)	-	(1.4)
Other non-cash item	0.2	-	0.1	-
Provisions	(0.7)	0.8	-	0.3
Net change in working capital items				
Inventories / development properties	1.2	0.4	1.1	0.2
Trade and other receivables	32.8	(0.2)	19.8	4.3
Trade and other payables	(21.0)	5.9	(12.3)	(12.3)
Provisions	(3.0)	(2.6)	(1.3)	(1.0)
Income tax paid	(14.5)	(14.2)	(10.1)	(11.3)
CASH FLOWS FROM OPERATING ACTIVITIES	71.2	62.9	25.8	15.7
INVESTING ACTIVITIES				
Proceeds from sale of equipment	0.3	-	-	-
Proceeds from sale of investment	-	4.0	-	2.8
Acquisition of hotel, property and equipment	(24.1)	(16.6)	(11.2)	(11.5)
CASH FLOWS USED IN INVESTING ACTIVITIES	(23.8)	(12.6)	(11.2)	(8.7)
FINANCING ACTIVITIES				
Drawdown of short-term borrowings	97.0	35.0	53.6	21.9
Repayment of short-term borrowings	(75.5)	(34.5)	(47.2)	(8.4)
Buy-back of mortgage debenture stock	(24.5)	-	-	-
Interest received	0.4	0.2	0.1	0.1
Interest paid	(18.5)	(18.1)	(15.9)	(18.0)
Other financing costs	0.6	(0.1)	0.6	-
Realised exchange gain / (loss) on financial derivatives	1.0	0.2	0.9	(0.2)
Dividend paid to shareholders of the Company	(21.1)	(15.3)	(21.1)	(15.3)
CASH FLOWS USED IN FINANCING ACTIVITIES	(40.6)	(32.6)	(29.0)	(19.9)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	6.8	17.7	(14.4)	(12.9)
Cash and cash equivalents at beginning of the period	19.6	30.4	39.0	63.0
Effect of exchange rate fluctuations on cash held	(0.9)	1.0	0.9	(1.0)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	25.5	49.1	25.5	49.1

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	Non-Controlling Interest	Total Equity
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
Balance at 1 Jul 2011	273.6	654.2	(49.4)	1.0	(1.6)	3.0	(28.5)	251.3	1,103.6	(0.8)	1,102.8
Profit for the period	-	-	-	-	-	-	-	37.0	37.0	(0.4)	36.6
<i>Other comprehensive income:</i>											
Net exchange translation difference relating to financial statements of foreign subsidiaries	-	-	(38.8)	-	-	-	-	-	(38.8)	(0.1)	(38.9)
Changes in fair value of available-for-sale investments	-	-	-	0.3	-	-	-	-	0.3	-	0.3
Total other comprehensive income, net of income tax	-	-	(38.8)	0.3	-	-	-	-	(38.5)	(0.1)	(38.6)
Total comprehensive income for the period, net of income tax	-	-	(38.8)	0.3	-	-	-	37.0	(1.5)	(0.5)	(2.0)
<i>Transactions with owners, recorded directly in equity:</i>											
Value of employee services received for issue of share option	-	-	-	-	-	0.2	-	-	0.2	-	0.2
First and final dividend of SGD0.020 per share for the year ended 30 June 2011	-	-	-	-	-	-	-	(21.1)	(21.1)	-	(21.1)
Total transactions with owners	-	-	-	-	-	0.2	-	(21.1)	(20.9)	-	(20.9)
Balance at 31 December 2011	273.6	654.2	(88.2)	1.3	(1.6)	3.2	(28.5)	267.2	1,081.2	(1.3)	1,079.9
Balance at 1 Jul 2010	273.6	654.2	(127.2)	2.3	(1.6)	2.7	(28.5)	185.4	960.9	-	960.9
Profit for the period	-	-	-	-	-	-	-	35.8	35.8	-	35.8
<i>Other comprehensive income:</i>											
Net exchange translation difference relating to financial statements of foreign subsidiaries	-	-	42.5	-	-	-	-	-	42.5	-	42.5
Changes in fair value of available-for-sale investments	-	-	-	6.6	-	-	-	-	6.6	-	6.6
Total other comprehensive income, net of income tax	-	-	42.5	6.6	-	-	-	-	49.1	-	49.1
Total comprehensive income for the period, net of income tax	-	-	42.5	6.6	-	-	-	35.8	84.9	-	84.9
<i>Transactions with owners, recorded directly in equity:</i>											
First and final dividend of SGD0.015 per share for the year ended 30 June 2010	-	-	-	-	-	-	-	(15.3)	(15.3)	-	(15.3)
Total transactions with owners	-	-	-	-	-	-	-	(15.3)	(15.3)	-	(15.3)
Balance at 31 December 2010	273.6	654.2	(84.7)	8.9	(1.6)	2.7	(28.5)	215.4	1,030.5	-	1,030.5

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 2011	273.6	654.2	(1.6)	2.7	(28.5)	203.2	1,103.6
Net loss for the period	-	-	-	-	-	(1.3)	(1.3)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period, net of income tax	-	-	-	-	-	(1.3)	(1.3)
First and final dividend of SGD0.020 per share for the year ended 30 June 2011	-	-	-	-	-	(21.1)	(21.1)
Balance at 31 December 2011	273.6	654.2	(1.6)	2.7	(28.5)	180.8	1,081.2
Balance at 1 Jul 2010	273.6	654.2	(1.6)	2.7	(28.5)	70.0	970.4
Net profit for the period	-	-	-	-	-	84.9	84.9
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period, net of income tax	-	-	-	-	-	84.9	84.9
First and final dividend of SGD0.015 per share for the year ended 30 June 2010	-	-	-	-	-	(15.3)	(15.3)
Balance at 31 December 2010	273.6	654.2	(1.6)	2.7	(28.5)	139.6	1,040.0

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	2nd Quarter ended 31 December 2011
(a) Issued and fully paid ordinary shares: As at 1 July and 31 December 2011	1,368,063,633
(b) Grant of share options under GL Executives' Share Option Scheme 2008:	
As at 1 July 2011	5,300,000
Options lapsed	-
As at 31 December 2011	<u>5,300,000</u>

	As at 31 Dec 11	As at 31 Dec 10
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	-	8,260,000
No. of shares that would be transferred by the Trust* to eligible employees to satisfy the outstanding share options under the GL Executives' Share Option Scheme 2008	5,300,000	5,300,000
<p>* The GL Executives' Share Option Scheme 2008 ("ESOS") was adopted in 2008 to replace the GL Value Creation Incentive Share Scheme ("VCI Scheme"). The Company has established a new trust ("ESOS Trust") for the purposes of the ESOS whereby 40 million GL shares held by the trust for the VCI Scheme ("VCI Trust") for the purpose of satisfying any outstanding options that may be exercised under the VCI Scheme has been transferred to the ESOS Trust as all outstanding options under the VCI Scheme had lapsed as at 30 June 2011.</p>		

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 both 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 31 December 2011.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares for the period ended 31 December 2011.

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 2011 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	
	1 st Half 1 Jul to 31 Dec 11	1 st Half 1 Jul to 31 Dec 10	2 nd Qtr 1 Oct to 31 Dec 11	2 nd Qtr 1 Oct to 31 Dec 10
Basic earnings per share (US cents)	2.8	2.7	1.0	1.4
Diluted earnings per share (US cents)	2.8	2.7	1.0	1.4

Both basic and diluted earnings per share for the half-year ended 31 December 2011 and the corresponding period of the immediately preceding financial year 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.**

	Unaudited	Audited
	1 st Half 31 Dec 11	Full Year 30 Jun 11
Net assets per share (US cents)	81.4	83.1
The Group	81.4	83.1
The Company	81.4	83.1

Net asset value per share is calculated based on the weighted average number of shares of 1,328.1 million 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 half-year ended 31 December 2011 stood at US\$36.6 million, an increase of 2.2% as compared to US\$35.8 million in the previous corresponding period. The following review sets out the factors that affected profit after tax for the period:

Revenue

For the half-year ended 31 December 2011, revenue decreased by 5.2% for the period to US\$189.7 million due mainly to lower revenue generated from the gaming segment. Whilst the revenues in the hotel operations showed a growth of 2.3%, volatility in the gaming sector affected overall revenue performance.

Bass Strait oil and gas royalty

Income from the Bass Strait oil and gas royalty in Australia increased by 40.4% for the period due to higher royalties received as a result of higher average crude oil and gas prices in the current period as compared to the same period a year ago. In addition, a one-off royalty distribution of US\$5.4 million arising from the resolution of a royalty entitlement dispute was received during the period.

Gain on sale of investment / assets

Gain on sale of investment / assets was lower for the period mainly due to a one-off gain of USD\$1.6 million from the disposal of an investment in the same period last year.

Other operating income

Other operating income increased from US\$4.6 million to US\$13.6 million for the half-year ended 31 December 2011 due mainly to the reimbursement of expenses associated with the royalty entitlement dispute which was resolved as noted above.

Direct costs of raw materials, consumables and services

The decrease in direct costs of raw materials, consumables and services by 2.0% was due mainly to lower gaming duty in tandem with the decrease in revenue from gaming operations in the current period.

Personnel expenses

The increase in personnel expenses for the half-year ended 31 December 2011 was mainly due to the expansion of sales and marketing teams for the UK hotel operations.

Other operating expenses

The increase in other operating expenses for the half-year was mainly due to higher marketing and promotional fees in the hotel segment as compared to the previous period.

Depreciation

Higher depreciation charge for the half-year ended 31 December 2011 was mainly due to the continuing hotel refurbishment cost which has been depreciated in the current period.

Amortisation

Lower amortisation charge for the half-year ended 31 December 2011 was due to an extension of the estimated useful life of the Bass Strait Oil and gas royalty.

Tax expenses

Income tax was higher than the previous corresponding period due to tax provision on higher royalty income as well as the one-off royalty distribution received during the period.

Statement of Comprehensive Income

Total comprehensive loss for the half-year ended 31 December 2011 was US\$2.0 million. This included a net foreign exchange translation loss of US\$38.9 million as a result of translating the books of the Group's UK subsidiaries and the Bass Strait oil and gas royalty rights which are denominated in GBP and AUD respectively into the Group's reporting currency, which is USD. The GBP and AUD as at 31 December 2011 depreciated against the USD by 3.7% and 5.4% respectively as compared to 30 June 2011.

Statement of Financial Position

The Group's net assets as at 31 December 2011 decreased by 2.1% to US\$1.081 billion from US\$1.104 billion as at 30 June 2011 principally due to a net foreign exchange translation loss of US\$38.8 million, which arose from the translation of the Group's GBP- and AUD-denominated net assets into USD as explained in the Statement of Comprehensive Income above.

Other significant movements in the Group's net assets were as follows:

- a) Intangible assets – decrease was due to the lower AUD and GBP exchange rates against USD.
- b) Trade and other receivables – decrease was primarily due to lower outstanding trade debts for both the hotel and gaming segments for the period.
- c) Cash and cash equivalents – increase was due mainly to revenue generated from the hotel operations and royalty income received during the half-year.
- d) Trade and other payables – decrease was due to scheduled settlement of creditor liabilities.
- e) Loans and borrowings – decrease was due to lower GBP exchange rates against USD for the period.
- f) Corporate tax payable – decrease was due to actual tax paid during the period.
- g) Provisions – decrease was due to actual pension payments made during the period.

Cash Flow Statement

There was lower net cash of US\$6.8 million generated for the half-year ended 31 December 2011 as compared with US\$17.7 million in the previous corresponding period. This was mainly due to higher capital

expenditure during the period for hotel refurbishment. In addition, there were also higher net dividend payment to shareholders of the Company during the period.

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 continuing uncertainty in Europe especially with regard to the sovereign debt crisis in the Eurozone has adversely affected business sentiment particularly in the hospitality business in the UK. This was particularly notable in the second quarter of the financial year. The Group remains cautious about the business outlook for the rest of the year.

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. General Mandate from Shareholders for Interested Person Transactions (“IPTs”)

There is no general mandate from shareholders for IPTs.

14. 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 half-year and second quarter ended 31 December 2011 false or misleading in any material aspect.

BY ORDER OF THE BOARD

Ng Poh Keng Jocelyn
Group Company Secretary

6 February 2012