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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 *	Susan Lim
Designation *	Group Company Secretary
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>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	30-09-2013
Description	Please see attached.

Attachments

 [GL1Q2014Results.pdf](#)
 Total size = **293K**
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Unaudited Financial Statement And Related Announcement For First Quarter Ended 30 September 2013

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Unaudited 1 st Quarter Ended		Increase/ (Decrease) %
	1 Jul to 30 Sep 13 US\$m	1 Jul to 30 Sep 12 US\$m	
Revenue	107.8	104.5	3.2%
Bass Strait oil and gas royalty	11.6	12.3	(5.7%)
Gain on disposal of investments / assets	0.8	-	N.M
Other operating income	3.5	6.5	(46.2%)
Direct costs of raw materials and consumables	(49.2)	(48.0)	2.5%
Personnel expenses	(29.9)	(24.8)	20.6%
Other operating expenses	(9.1)	(7.9)	15.2%
PROFIT BEFORE DEPRECIATION & AMORTISATION	35.5	42.6	(16.7%)
Depreciation	(5.9)	(6.6)	(10.6%)
Amortisation	(1.0)	(1.1)	(9.1%)
PROFIT BEFORE FINANCING COSTS	28.6	34.9	(18.1%)
Finance costs	(7.7)	(8.0)	(3.8%)
Finance income	1.7	2.0	(15.0%)
Net foreign exchange loss	(0.7)	(1.1)	(36.4%)
PROFIT BEFORE TAX	21.9	27.8	(21.2%)
Income tax expense	(5.5)	(4.6)	19.6%
PROFIT FOR THE PERIOD	16.4	23.2	(29.3%)
PROFIT ATTRIBUTABLE TO:			
- Owners of the Company	16.5	23.3	(29.2%)
- Non-controlling interests	(0.1)	(0.1)	-
PROFIT FOR THE PERIOD	16.4	23.2	(29.3%)

Note to Income Statement

	Unaudited 1 st Quarter Ended		Increase/ (Decrease) %
	1 Jul to 30 Sep 13 US\$m	1 Jul to 30 Sep 12 US\$m	
Profit before tax is stated after (charging) / crediting:			
Gain on disposal of investments / assets	0.8	-	N.M
Other operating income	3.5	6.5	(46.2%)
Amortisation of Bass Strait oil and gas royalty	(1.0)	(1.1)	(9.1%)
Income tax expense	(5.5)	(4.6)	19.6%

1(a)(ii) Statement of Comprehensive Income

	Unaudited 1 st Quarter Ended		Increase/ (Decrease) %
	1 Jul to 30 Sep 13 US\$m	1 Jul to 30 Sep 12 US\$m	
Profit for the period	16.4	23.2	(29.3%)
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Net exchange translation difference relating to financial statements of foreign subsidiaries	50.0	36.7	36.2%
Change in fair value of available-for-sale investments	-	0.1	N.M
Other comprehensive income for the year, net of income tax	50.0	36.8	35.9%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	66.4	60.0	10.7%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
- Owners of the Company	66.6	60.2	10.6%
- Non-controlling interests	(0.2)	(0.2)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	66.4	60.0	10.7%

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 30-Sep-13	Audited 30-Jun-13	Unaudited 30-Sep-13	Audited 30-Jun-13
	US\$m	US\$m	US\$m	US\$m
ASSETS				
Hotels, property and equipment	1,207.2	1,141.1	-	-
Intangible assets	156.4	153.8	-	-
Investment in subsidiaries	-	-	1,209.8	1,209.8
Other investments	3.3	3.3	-	-
TOTAL NON-CURRENT ASSETS	1,366.9	1,298.2	1,209.8	1,209.8
Inventories	1.0	1.0	-	-
Development properties	175.6	176.6	-	-
Trade and other receivables	79.7	75.4	0.5	0.5
Assets held for sale	0.2	7.6	-	-
Advances to subsidiaries	-	-	85.4	81.7
Cash and cash equivalents	23.7	15.3	-	-
TOTAL CURRENT ASSETS	280.2	275.9	85.9	82.2
TOTAL ASSETS	1,647.1	1,574.1	1,295.7	1,292.0
LESS LIABILITIES				
Loans and borrowings	10.8	34.9	10.8	27.3
Trade and other payables	100.9	89.6	3.3	2.2
Corporate tax payable	14.7	12.3	-	-
Provisions	0.5	0.5	0.2	0.2
TOTAL CURRENT LIABILITIES	126.9	137.3	14.3	29.7
Loans and borrowings	325.6	309.0	-	-
Provisions	3.0	3.7	-	-
Deferred tax liabilities	21.1	19.5	-	-
TOTAL NON-CURRENT LIABILITIES	349.7	332.2	-	-
TOTAL LIABILITIES	476.6	469.5	14.3	29.7
NET ASSETS	1,170.5	1,104.6	1,281.4	1,262.3
SHARE CAPITAL AND RESERVES				
Equity attributable to owners of the Company	1,172.6	1,106.5	1,281.4	1,262.3
Non-controlling interests	(2.1)	(1.9)	-	-
TOTAL EQUITY	1,170.5	1,104.6	1,281.4	1,262.3

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 2013		As at 30 Jun 2013	
Secured	Unsecured	Secured	Unsecured
-	10.8	-	34.9

Amount repayable after one year

As at 30 Sep 2013		As at 30 Jun 2013	
Secured	Unsecured	Secured	Unsecured
325.6	-	309.0	-

Details of any collateral

As at 30 September 2013, the Group's unsecured borrowings that were repayable in one year or less stood at US\$10.8 million. The Group continues to have banking lines to meet its funding requirements.

The Group's long term borrowings of US\$325.6 million are secured on three hotels owned by the Group with a total net book value of US\$619.7 million.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group Unaudited 1 st Quarter	
	1 Jul to 30 Sep 13 US\$m	1 Jul to 30 Sep 12 US\$m
OPERATING ACTIVITIES		
Profit before financing costs	28.6	34.9
Adjustments for non-cash items		
Depreciation of hotel, property and equipment	5.9	6.6
Amortisation of Bass Strait oil and gas royalty	1.0	1.1
Other non-cash items	0.2	(0.2)
Gain on disposal of investments / assets	(0.8)	-
Provisions	-	0.7
Net change in working capital items		
Inventories / development properties	1.0	2.1
Trade and other receivables	3.1	5.7
Trade and other payables	2.9	(19.4)
Provisions	(0.7)	(1.9)
Income tax paid	(3.3)	(3.9)
Purchase of shares of the Company for ESOS 2008	(0.7)	(2.0)
CASH FLOWS FROM OPERATING ACTIVITIES	37.2	23.7
INVESTING ACTIVITIES		
Proceeds from sale of investments / assets	8.9	-
Acquisition of hotels, property and equipment	(4.8)	(3.2)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	4.1	(3.2)
FINANCING ACTIVITIES		
Drawdown of short-term borrowings	12.9	83.1
Repayment of short-term borrowings	(38.8)	(96.3)
Interest paid	(0.2)	(0.4)
Realised exchange gains on financial derivatives	0.2	0.2
CASH FLOWS USED IN FINANCING ACTIVITIES	(25.9)	(13.4)
NET INCREASE IN CASH AND CASH EQUIVALENTS	15.4	7.1
Cash and cash equivalents at beginning of the year	7.7	19.5
Effect of exchange rate fluctuations on cash held	0.6	0.7
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	23.7	27.3

(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	ESOS Reserve US\$m	Retained Earnings US\$m	Total US\$m	Non-Controlling Interests US\$m	Total Equity US\$m
Balance at 1 Jul 2013	273.6	654.2	(107.8)	0.5	(1.6)	2.7	(40.3)	325.2	1,106.5	(1.9)	1,104.6
Profit for the period	-	-	-	-	-	-	-	16.5	16.5	(0.1)	16.4
Other comprehensive income:											
Net exchange translation difference relating to financial statements of foreign subsidiaries	-	-	50.1	-	-	-	-	-	50.1	(0.1)	50.0
Changes in fair value of available-for-sale investments	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income, net of income tax	-	-	50.1	-	-	-	-	-	50.1	(0.1)	50.0
Total comprehensive income for the period, net of income tax	-	-	50.1	-	-	-	-	16.5	66.6	(0.2)	66.4
<i>Transactions with owners, recorded directly in equity:</i>											
Purchase of shares of the Company for ESOS 2008	-	-	-	-	-	-	(0.7)	-	(0.7)	-	(0.7)
Value of employee services received for issue of share option	-	-	-	-	-	0.2	-	-	0.2	-	0.2
Total transactions with owners	-	-	-	-	-	0.2	(0.7)	-	(0.5)	-	(0.5)
Balance at 30 Sep 2013	273.6	654.2	(57.7)	0.5	(1.6)	2.9	(41.0)	341.7	1,172.6	(2.1)	1,170.5
Balance at 1 Jul 2012	273.6	654.2	(77.5)	0.5	(1.6)	2.9	(30.0)	296.7	1,118.8	(1.5)	1,117.3
Profit for the period	-	-	-	-	-	-	-	23.3	23.3	(0.1)	23.2
Other comprehensive income:											
Net exchange translation difference relating to financial statements of foreign subsidiaries	-	-	36.8	-	-	-	-	-	36.8	(0.1)	36.7
Changes in fair value of available-for-sale investments	-	-	-	0.1	-	-	-	-	0.1	-	0.1
Total other comprehensive income, net of income tax	-	-	36.8	0.1	-	-	-	-	36.9	(0.1)	36.8
Total comprehensive income for the period, net of income tax	-	-	36.8	0.1	-	-	-	23.3	60.2	(0.2)	60.0
<i>Transactions with owners, recorded directly in equity:</i>											
Purchase of shares of the Company for ESOS 2008	-	-	-	-	-	-	(2.0)	-	(2.0)	-	(2.0)
Value of employee services received for issue of share option	-	-	-	-	-	(0.2)	-	-	(0.2)	-	(0.2)
Total transactions with owners	-	-	-	-	-	(0.2)	(2.0)	-	(2.2)	-	(2.2)
Balance at 30 Sep 2012	273.6	654.2	(40.7)	0.6	(1.6)	2.7	(32.0)	320.0	1,176.8	(1.7)	1,175.1

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	ESOS Reserve US\$m	Retained Earnings US\$m	Total US\$m
Balance at 1 Jul 2013	273.6	654.2	(1.6)	2.7	(40.3)	373.7	1,262.3
Profit for the period	-	-	-	-	-	19.8	19.8
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period, net of income tax	-	-	-	-	-	19.8	19.8
<i>Transactions with owners, recorded directly in equity:</i>							
Purchase of shares of the Company for ESOS 2008	-	-	-	-	(0.7)	-	(0.7)
Balance at 30 Sep 2013	273.6	654.2	(1.6)	2.7	(41.0)	393.5	1,281.4
Balance at 1 Jul 2012	273.6	654.2	(1.6)	2.7	(30.0)	378.6	1,277.5
Profit for the period	-	-	-	-	-	13.6	13.6
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year, net of income tax	-	-	-	-	-	13.6	13.6
<i>Transactions with owners, recorded directly in equity:</i>							
Purchase of shares of the Company for ESOS 2008	-	-	-	-	(2.0)	-	(2.0)
Balance at 30 Sep 2012	273.6	654.2	(1.6)	2.7	(32.0)	392.2	1,289.1

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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 Sep 2013
(a) Issued and fully paid ordinary shares:	
As at 1 July and 30 September 2013	1,368,063,633
(b) Grant of share options under ESOS 2008:	
As at 1 July 2013	76,005,000
Options lapsed	-
As at 30 September 2013	<u>76,005,000</u>

	As at 30 Sep 2013	As at 30 Sep 2012
Number of shares held in the ESOS Trust to be transferred to eligible employees to satisfy the outstanding share options under the ESOS 2008	61,966,000	210,000

There was no change in the Company's share capital since the immediate preceding financial period reported on.

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.

	As at 30 Sep 2013	As at 30 June 2013
Total issued ordinary shares	1,368.1 million	1,368.1 million
Less: No. of shares acquired by the ESOS Trust for ESOS 2008	(62.0) million	(60.9) million
Total issued ordinary shares excluding shares acquired by the ESOS Trust for ESOS 2008	1,306.1 million	1,307.2 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.

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 nor reviewed by the Group's 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 2013 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 1 st Quarter	
	1 Jul to 30 Sep 13 ¹	1 Jul to 30 Sep 12 ²
Basic earnings per share (US cents)	1.3	1.8
Diluted earnings per share (US cents)	1.3	1.8

¹ Based on the weighted average number of ordinary shares in issue after adjusting for the shares held by the ESOS Trust for ESOS 2008, being 1,315.4 million shares.

² Based on the weighted average number of ordinary shares in issue after adjusting for the shares held by the ESOS Trust for ESOS 2008, being 1,326.0 million 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 1 st Quarter 30 Sep 13 ¹	Audited Full Year 30 Jun 13 ²
Net assets per share (US cents)		
The Group	89.1	83.9
The Company	97.4	95.7

¹ Based on the weighted average number of ordinary shares in issue after adjusting for the shares held by the ESOS Trust for ESOS 2008, being 1,315.4 million shares.

² Based on the weighted average number of ordinary shares in issue after adjusting for the shares held by the ESOS Trust for ESOS 2008, being 1,319.2 million shares.

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 stood at US\$16.4 million, a decrease of 29.3% as compared to US\$23.2 million in the previous corresponding quarter. The following review sets out the factors that affected profit after tax for the quarter:

Revenue

Revenue increased by 3.2% to US\$107.8 million for the quarter due mainly to higher revenue generated by the property development segment. However, volatility in the gaming sector affected overall revenue performance.

Bass Strait oil and gas royalty

Bass Strait oil and gas royalties decreased by 5.7% for the quarter due to lower average crude oil prices and lower oil production as compared to previous corresponding quarter.

Gain on disposal of investments/ assets

Gain on disposal of investments / assets was mainly due to sale of a casino licence by Clermont Leisure UK in the current quarter.

Other operating income

Other operating income decreased from US\$6.5 million to US\$3.5 million for the quarter due mainly to the one off compensation received from a lease termination in the hotel segment 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 2.5% for the quarter was mainly due to the bringing in-house of F&B operations at one of the hotels.

Personnel expenses

The increase in personnel expenses for the quarter was mainly due to the recruitment of additional hotel management and operations staff for the on-going transformation and rebranding strategies in the UK.

Other operating expenses

The increase in other operating expenses for the quarter was mainly due to higher marketing and consultancy fees in the hotel segment related to on-going rebranding strategies as compared to the previous corresponding quarter.

Depreciation

Lower depreciation for the quarter was mainly due to certain fixed assets had been fully depreciated in the current quarter.

Net financing costs

Lower financing costs for the quarter were attributable to lower outstanding borrowings as compared to the previous corresponding quarter. Taking into account lower finance income recorded in the current quarter, overall net financing costs were in line with costs for the previous corresponding quarter.

Income tax expense

The increase in income tax expense was mainly due to tax provision on land disposal as well as royalty income received during the quarter.

Statement of Comprehensive Income

Total comprehensive income for the quarter was US\$66.4 million. This included a net foreign exchange translation gain of US\$50.0 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 30 September 2013 appreciated against the USD by 5.9% and 0.8% respectively as compared to 30 June 2013.

Statement of Financial Position

The Group's net assets before non-controlling interest increased by 6.0% from US\$1,106.5 million as at 30 June 2013 to US\$1,172.6 million as at 30 September 2013, mainly attributable to internal accruals during the period as well as the net foreign exchange translation gain referred to above.

Excluding the effects of currency translation, other significant factors that affected the Group's net assets as at 30 September 2013 were as follows:

- a) Trade and other receivables – increase was primarily due to higher royalties receivable in the last quarter of the period.
- b) Assets held for sale – decrease was due to completion of the sale of a casino licence during the quarter.
- c) Cash and cash equivalents – increase was mainly due to receipt of royalty distribution, proceed from land disposal and sale of a casino licence during the quarter.
- d) Short term loans and borrowings – decrease was due to partial repayment during the quarter given higher liquidity.
- e) Trade and other payables – increase was mainly due to timing differences on scheduled settlement of creditor liabilities.

- f) Corporate tax payable – increase was mainly due to tax provision on higher royalty income received and profit from land disposal during the quarter.
- g) Provisions – decrease was due to actual pension payments made during the quarter.

Statement of Cash Flows

A positive net cash flow of US\$15.4 million was recorded for the quarter as compared with US\$7.1 million in the previous corresponding quarter. This was mainly due to higher receipt from the property development segment and disposal of assets during the period. However, this was partially offset by higher repayment of short term borrowings during the 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

London hotels are coping with the need to absorb a significant increase in new supply that came onto the market prior to the 2012 Olympic Games. However, London and the UK were generally seeing a return of business and leisure travel as well as experiencing early signs of economic recovery. This, along with the rebranding and transformation initiatives currently underway at the hotels, is expected to support our UK-based business.

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. **If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from shareholders for interested person transactions.

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 first quarter ended 30 September 2013 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

**Susan Lim
Group Company Secretary**

25 October 2013