GuocoLeisure Limited
A Member of the Hong Leong Group

Unaudited Financial Statement And Related Announcement For First Quarter Ended 30 September 2014

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

	Group Unaudited 1st Quarter Ended		
	1 Jul to 30 Sep 14 US$m	1 Jul to 30 Sep 13 US$m	Increase/ (Decrease) %
Revenue	**101.0**	107.8	(6.3%)
Bass Strait oil and gas royalty	**13.0**	11.6	12.1%
Gain on disposal of investments/assets	**0.1**	0.8	(87.5%)
Other operating income	**3.6**	3.5	2.9%
Direct costs of raw materials and consumables	**(46.8)**	(49.2)	(4.9%)
Personnel expenses	**(29.0)**	(29.9)	(3.0%)
Other operating expenses	**(7.7)**	(9.1)	(15.4%)
PROFIT BEFORE DEPRECIATION & AMORTISATION	**34.2**	35.5	(3.7%)
Depreciation	**(6.0)**	(5.9)	1.7%
Amortisation	**(1.0)**	(1.0)	-
PROFIT BEFORE FINANCING COSTS	**27.2**	28.6	(4.9%)
Finance costs	**(8.4)**	(7.7)	9.1%
Finance income	**1.8**	1.7	5.9%
Net foreign exchange gain/(loss)	**0.5**	(0.7)	N.M
PROFIT BEFORE TAX	**21.1**	21.9	(3.7%)
Income tax expense	**(4.6)**	(5.5)	(16.4%)
PROFIT FOR THE PERIOD	**16.5**	16.4	0.6%
PROFIT ATTRIBUTABLE TO:			
- Owners of the Company	**16.6**	16.5	0.6%
- Non-controlling interests	**(0.1)**	(0.1)	-
PROFIT FOR THE PERIOD	**16.5**	16.4	0.6%

Note: N.M - not meaningful

Note to Income Statement

	Group Unaudited 1st Quarter Ended		
	1 Jul to 30 Sep 14 US$m	1 Jul to 30 Sep 13 US$m	Increase/ (Decrease) %
Profit for the period is stated after (charging)/crediting:			
Gain on disposal of investments/assets	**0.1**	0.8	(87.5%)
Other operating income	**3.6**	3.5	2.9%
Amortisation of Bass Strait oil and gas royalty	**(1.0)**	(1.0)	-
Income tax expense	**(4.6)**	(5.5)	(16.4%)

1(a)(ii) Statement of Comprehensive Income

	Group Unaudited 1st Quarter Ended		
	1 Jul to 30 Sep 14 US$m	1 Jul to 30 Sep 13 US$m	Increase/ (Decrease) %
Profit for the period	**16.5**	16.4	0.6%
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation difference relating to financial statements of foreign subsidiaries	**(49.8)**	50.0	N.M
Other comprehensive income for the year, net of income tax	**(49.8)**	50.0	N.M
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(33.3)**	66.4	N.M
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
- Owners of the Company	**(33.4)**	66.6	N.M
- Non-controlling interests	**0.1**	(0.2)	N.M
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(33.3)**	66.4	N.M

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-14 US$m	Audited 30-June-14 US$m	**Unaudited 30-Sep-14 US$m**	Audited 30-June-14 US$m
ASSETS				
Hotels, property and equipment	**1,236.0**	1,286.8	**-**	-
Intangible assets	**141.8**	152.4	**-**	-
Investment in subsidiaries	**-**	-	**1,199.1**	1,199.1
Other investments	**3.1**	3.1	**-**	-
TOTAL NON-CURRENT ASSETS	**1,380.9**	1,442.3	**1,199.1**	1,199.1
Inventories	**1.0**	1.0	**-**	-
Development properties	**176.8**	176.8	**-**	-
Trade and other receivables	**59.5**	85.1	**0.5**	1.0
Assets held for sale	**0.1**	0.1	**-**	-
Advances to subsidiaries	**-**	-	**84.8**	92.0
Cash and cash equivalents	**9.9**	9.1	**-**	-
TOTAL CURRENT ASSETS	**247.3**	272.1	**85.3**	93.0
TOTAL ASSETS	**1,628.2**	1,714.4	**1,284.4**	1,292.1
LIABILITIES				
Loans and borrowings	**226.1**	250.4	**-**	0.5
Trade and other payables	**96.2**	114.3	**2.4**	2.0
Corporate tax payable	**9.9**	9.5	**-**	-
Provisions	**1.2**	1.3	**-**	-
TOTAL CURRENT LIABILITIES	**333.4**	375.5	**2.4**	2.5
Loans and borrowings	**94.5**	99.2	**-**	-
Provisions	**-**	1.6	**-**	-
Deferred tax liabilities	**22.6**	23.3	**-**	-
TOTAL NON-CURRENT LIABILITIES	**117.1**	124.1	**-**	-
TOTAL LIABILITIES	**450.5**	499.6	**2.4**	2.5
NET ASSETS	**1,177.7**	1,214.8	**1,282.0**	1,289.6
SHARE CAPITAL AND RESERVES				
Equity attributable to owners of the Company	**1,180.1**	1,217.3	**1,282.0**	1,289.6
Non-controlling interests	**(2.4)**	(2.5)	**-**	-
TOTAL EQUITY	**1,177.7**	1,214.8	**1,282.0**	1,289.6

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

Amount repayable in one year or less, or on demand

As at 30 Sep 2014		As at 30 Jun 2014	
Secured	**Unsecured**	Secured	Unsecured
226.0	**0.1**	238.4	12.0

Amount repayable after one year

As at 30 Sep 2014		As at 30 Jun 2014	
Secured	**Unsecured**	Secured	Unsecured
94.5	**-**	99.2	-

Details of any collateral

As at 30 September 2014, the Group's unsecured borrowings that were repayable in one year or less stood at US$0.1 million. The Group continues to have banking lines to meet its funding requirements.

The Group's secured borrowings as at 30 September 2014 of US$226.0 million that are repayable in one year or less, and US$94.5 million that are repayable after one year, are secured on three hotels owned by the Group with a total net book value of US$629.5 million.

The Group accepted an offer for a new bank facility equivalent to US$325.0 million and repayable five years from drawdown, part of the proceeds of which are to be used to fully repay the secured borrowings payable within one year or less as at 30 September 2014. Finalisation of the new loan facility agreement is subject to completion of certain non-substantive conditions precedent.

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 1st Quarter Ended	
	1 Jul to 30 Sep 14 US$m	1 Jul to 30 Sep 13 US$m
OPERATING ACTIVITIES		
Profit before financing costs	**27.2**	28.6
Adjustments for non-cash items		
Depreciation of hotel, property and equipment	**6.0**	5.9
Amortisation of Bass Strait oil and gas royalty	**1.0**	1.0
Other non-cash items	**0.2**	0.2
Gain on disposal of investments/assets	**(0.1)**	(0.8)
Net change in working capital items		
Inventories/development properties	**-**	1.0
Trade and other receivables	**25.6**	3.1
Trade and other payables	**(25.3)**	2.9
Provisions	**(1.2)**	(0.7)
Income tax paid	**(3.1)**	(3.3)
Purchase of shares of the Company for ESOS 2008	**(4.0)**	(0.7)
CASH FLOWS FROM OPERATING ACTIVITIES	**26.3**	37.2
INVESTING ACTIVITIES		
Proceeds from sale of investments/assets	**0.1**	8.9
Acquisition of hotels, property and equipment	**(14.0)**	(4.8)
CASH0 FLOWS (USED IN)/FROM INVESTING ACTIVITIES	**(13.9)**	4.1
FINANCING ACTIVITIES		
Drawdown of short-term borrowings	**1.6**	12.9
Repayment of short-term borrowings	**(1.4)**	(38.8)
Interest paid	**(0.1)**	(0.2)
Other financing costs	**(0.1)**	-
Realised exchange (losses)/gains on financial derivatives	**(0.1)**	0.2
CASH FLOWS USED IN FINANCING ACTIVITIES	**(0.1)**	(25.9)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**12.3**	15.4
Cash and cash equivalents at beginning of the year	**(2.4)**	7.7
Effect of exchange rate fluctuations on cash held	**(0.1)**	0.6
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**9.8***	23.7

** including bank overdraft of US$0.1 million under short term loan and borrowings.*

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 US$m	Contributed Surplus US$m	Translation Reserve US$m	Fair Value Reserve US$m	Capital Reserve Share Based Payment US$m	Equity Compen -sation Reserve US$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 2014	273.6	654.2	(10.4)	0.6	(1.6)	3.4	(42.2)	339.7	1,217.3	(2.5)	1,214.8
Profit for the period	-	-	-	-	-	-	-	16.6	16.6	(0.1)	16.5
Other comprehensive income:											
Net exchange translation difference relating to financial statements of foreign subsidiaries	-	-	(50.0)	-	-	-	-	-	(50.0)	0.2	(49.8)
Total other comprehensive income, net of income tax	-	-	(50.0)	-	-	-	-	-	(50.0)	0.2	(49.8)
Total comprehensive income for the period, net of income tax	-	-	(50.0)	-	-	-	-	16.6	(33.4)	0.1	(33.3)
Transactions with owners, recorded directly in equity:											
Purchase of shares of the Company for ESOS 2008	-	-	-	-	-	-	(4.0)	-	(4.0)	-	(4.0)
Value of employee services received for issue of share option	-	-	-	-	-	0.2	-	-	0.2	-	0.2
Total transactions with owners	-	-	-	-	-	0.2	(4.0)	-	(3.8)	-	(3.8)
Balance at 30 Sep 2014	273.6	654.2	(60.4)	0.6	(1.6)	3.6	(46.2)	356.3	1,180.1	(2.4)	1,177.7
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
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
Transactions with owners, recorded directly in equity:											
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

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 2014	273.6	654.2	(1.6)	2.9	(42.2)	402.7	1,289.6
Loss for the period	-	-	-	-	-	(3.6)	(3.6)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period, net of income tax	-	-	-	-	-	(3.6)	(3.6)
Transactions with owners, recorded directly in equity:							
Purchase of shares of the Company for ESOS 2008	-	-	-	-	(4.0)	-	(4.0)
Balance at 30 Sep 2014	273.6	654.2	(1.6)	2.9	(46.2)	399.1	1,282.0
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 year, net of income tax	-	-	-	-	-	19.8	19.8
Transactions with owners, recorded directly in equity:							
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

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 2014
(a) Issued and fully paid ordinary shares:	
As at 1 July and 30 September 2014	1,368,063,633
(b) Grant of share options under ESOS 2008:	
As at 1 July 2014	70,400,000
Options lapsed	(500,000)
As at 30 September 2014	69,900,000

	As at 30 Sep 2014	As at 30 Sep 2013
Number of shares held in the ESOS Trust to be transferred to eligible employees to satisfy the outstanding share options under the ESOS 2008	**68,295,000**	61,966,000

There has been 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 2014	As at 30 June 2014
Total issued ordinary shares	**1,368.1 million**	1,368.1 million
Less: No. of shares acquired by the ESOS Trust for ESOS 2008	**(68.3) million**	(63.9) million
Total issued ordinary shares excluding shares acquired by the ESOS Trust for ESOS 2008	**1,299.8 million**	1,304.2 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 2014 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 1st Quarter Ended	
	1 Jul to 30 Sep 14[1]	1 Jul to 30 Sep 13[2]
Basic earnings per share (US cents)	**1.3**	1.3
Diluted earnings per share (US cents)	**1.3**	1.3

[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 1,303.9 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 1,315.4 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.

Net assets per share (US cents)	**Unaudited 1st Quarter 30 Sep 14[1]**	Audited Full Year 30 June 14[2]
The Group	**90.5**	93.3
The Company	**98.3**	98.8

[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 1,303.9 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 1,315.4 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$16.5 million, an increase of 0.6% as compared to US$16.4 million in the previous corresponding quarter. The following review sets out the factors that affected profit after tax for the quarter:

Revenue
Revenue decreased by 6.3% to US$101.0 million quarter-on-quarter due mainly to lower revenue generated from both gaming and property development segments. The volatility in the gaming sector will continue to affect overall revenue performance. Hotel revenue was remain stable as compared to previous corresponding quarter.

Bass Strait oil and gas royalty
Income from the Bass Strait oil and gas royalty in Australia increased by 12.1% principally due 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 disposal of investments/assets

The decrease in gain on disposal of investments/assets was mainly due to sale of a casino licence by Clermont Leisure UK in the previous corresponding quarter.

Direct costs of raw materials, consumables and services

The decrease in direct costs of raw materials, consumables and services by 4.9% for the quarter was due mainly to lower gaming duty in tandem with the decrease in revenue from gaming operations in the current quarter.

Personnel expenses

The decrease in personnel expenses for the quarter was mainly due to the saving on streamlining of hotel central support function as part of the on-going transformation and rebranding exercises in the UK.

Other operating expenses

The decrease in other operating expenses for the quarter reflecting overall cost disciplines for the Group and transformation cost incurred during the start-up stage in the previous corresponding quarter.

Net financing costs

Higher financing costs for the quarter were attributable to the translation effect of higher GBP/USD as compared to the previous corresponding quarter.

Income tax expense

The decrease in income tax expense was mainly due to higher tax provision on property development segment in the previous corresponding quarter.

Statement of Comprehensive Income

Total comprehensive loss for the quarter was US$33.3 million. This included a net foreign exchange translation loss of US$49.8 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 2014 depreciated against the USD by 4.6% and 7.1% respectively as compared to 30 June 2014.

Statement of Financial Position

The Group's net assets before non-controlling interests decreased by 3.0% from US$1,217.3 million as at 30 June 2014 to US$1,180.1 million as at 30 September 2014. This is mainly attributable to net foreign exchange translation loss referred to above.

Excluding the effects of currency translation, other significant factors that affected the Group's net assets as at 30 September 2014 were as follows:

a) Trade and other receivables – decrease was primarily due to lower outstanding debts and prepayments for the hotel segment during the quarter.
b) Cash and cash equivalents – increase was mainly due to receipt of royalty distribution offset by the purchase of shares of the Company for ESOS 2008 during the quarter.
c) Short term loans and borrowings – decrease was due to partial repayment during the quarter given higher liquidity.
d) Trade and other payables – decrease was mainly due to scheduled settlement of creditor liabilities.
e) Corporate tax payable – increase was mainly due to tax provision on higher royalty income received during the quarter.
f) Provisions – decrease was due to actual pension payments made during the quarter.

Statement of Cash Flows

A positive net cash flow of US$12.3 million was recorded for the quarter as compared with US$15.4 million in the previous corresponding quarter. This was mainly due to lower cash flow from gaming operations in the current 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 refurbishment programme for our hotels is in progress and is expected to continue over the next 12 months. The impact of rooms not available for sale due to the refurbishment will continue to be felt over this period. The London hotel market is expected to continue to grow over the next year albeit at a slower pace, with most, if not all, of the growth likely coming through rising average daily rate as occupancy levels have peaked across the city. The soft launch of group's first hotel under its new "Amba" brand will take place in the final quarter of 2014. The group is on track to complete the refurbishment and expects to open the first hotel under its new "every" brand in the first quarter of 2015.

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/recommended.

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 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Susan Lim
Group Company Secretary

17 October 2014