

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



VOLUNTARY ANNOUNCEMENT

TRADING UPDATE ON THE RANK GROUP PLC

This announcement is made by Guoco Group Limited (“Guoco” or the “Company”) on a voluntary basis. The Rank Group Plc (“Rank”, together with its subsidiaries, the “Rank Group”), a subsidiary of Guoco and listed on the London Stock Exchange Plc (“LSE”), published a trading update on 16 December 2022 to provide an overview of its trading performance for the 5 months to 30 November 2022 and profit expectations for the year ending 30 June 2023 as follows:

The Rank Group’s like-for-like (“LFL”) Net Gaming Revenue (“NGR”) for the five months to 30 November 2022 was up 1% compared to the same period in the prior year, with LFL NGR growth in Mecca venues, Enracha venues and digital offset by a decline in Grosvenor venues.

Whilst there has been some improvement in Grosvenor’s trading over the last few weeks, trading in Q2 has been weaker than expected, with weekly average NGR of £5.8 million being only marginally ahead of the levels seen in Q1. Rank had expected Grosvenor venues to have continued to improve throughout Q2 and then into the second half of the year, but this improvement has not yet materialised, driven by lower customer spend per visit.

In the first five months of the financial year, Mecca customer visits numbers were up 4% on the prior year, with Q2 weekly average NGR in line with Q1. There has been a recent weakening in weekly average NGR due to lower visit numbers, impacted by the World Cup and colder weather, as well as the ongoing cost of living pressure on consumers.

Enracha venues continued to perform strongly with NGR up 27% as investments into electronic product continue to deliver strong returns.

Rank's digital business continued to deliver good growth. NGR was up 11%, with the United Kingdom segment up 10%, following the successful migration of Grosvenor onto its proprietary technology platform, and the International segment up 13% driven by continued growth in YoBingo and the launch of YoSports in October 2022.

Outlook

Grosvenor venues have shown signs of improvement in recent weeks and there are robust plans in place to drive revenues, however the return to growth will take longer than previously expected due to the current challenging macro-economic backdrop.

Year-to-date performance in Mecca venues also creates a level of downside risk to the full year outturn for the financial year ending 30 June 2023.

Rank expects its Enracha venues to continue to perform strongly for the remainder of the financial year ending 30 June 2023, with its Spanish customers being less impacted by cost of living pressures.

Rank's digital business continues to focus on delivering its roadmap of enhancements centred around providing a richer live casino gaming experience and a more personalised and engaging online bingo offer.

Total known cost increases for the year remain broadly in line with Rank's expectations at approximately £50 million driven by wage inflation, energy inflation, other price increases and COVID-19 related government support received in the financial year ended 30 June 2022.

Rank now expects its LFL underlying operating profit for the year ending 30 June 2023 to be in the range of £10 million to £20 million, with the main variable being the performance of Grosvenor venues. Due to the high operating leverage within Grosvenor, and its relative importance to the Rank Group as a whole, movements in its NGR will have a significant impact on its operating profit for the year.

John O'Reilly, the Chief Executive of Rank, said:

"Weak consumer confidence and pressure on disposable income is resulting in a tougher than expected trading environment for our United Kingdom venues businesses, particularly in Grosvenor where we are seeing customers spending less per visit."

Whilst we expect these challenges to continue to impact our recovery into the second half of the financial year, we have implemented a series of measures to deliver incremental cost savings and to drive revenues.

We remain committed to our roadmap of investing in initiatives that will ensure the long-term recovery and prosperity of the Rank Group. These include delivering new products in our United Kingdom venues, enhancements to the design and facilities of some of our casinos and upgrades to the table gaming and electronic offering. Our digital team is now fully focused on delivering the improvements available to our United Kingdom and Spanish business following the successful migration of all our brands onto our proprietary platforms.”

Rank will announce its interim results for the 6 months ending 31 December 2022 on 26 January 2023.

Notes:

- 1. Net Gaming Revenue ('NGR') represents Gross Gaming Revenue after customer incentives.*
- 2. The expression “£” in this announcement means “Pounds Sterling”.*
- 3. Like-for-like excludes the effects of club closures, club reopenings and foreign exchange.*
- 4. All comparisons are with the same period in 2021/22.*

Remarks: *The trading update of Rank dated 16 December 2022 is accessible at LSE's website (<http://www.londonstockexchange.com>) and is also posted by Guoco as an overseas regulatory announcement on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and Guoco (<http://www.guoco.com>).*

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 16 December 2022

As at the date of this announcement, the board of directors of the Company comprises Mr. KWEK Leng Hai as Executive Chairman; Mr. CHEW Seong Aun as Executive Director; Mr. KWEK Leng San as Non-executive Director; Mr. David Michael NORMAN, Mr. Lester G. HUANG, SBS, J.P. and Mr. Paul Jeremy BROUGH as Independent Non-executive Directors.