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## **JOINT ANNOUNCEMENT**

**(1) VOLUNTARY UNCONDITIONAL CASH OFFER  
BY STANDARD CHARTERED BANK (HONG KONG) LIMITED  
ON BEHALF OF GUOLINE OVERSEAS LIMITED  
TO ACQUIRE ALL OF THE ISSUED SHARES IN THE SHARE CAPITAL OF  
GUOCO GROUP LIMITED  
(OTHER THAN THOSE ALREADY HELD BY GUOLINE OVERSEAS LIMITED)**

**AND**

**(2) RESUMPTION OF TRADING**

Financial Adviser to GuoLine Overseas Limited



**Standard Chartered Bank (Hong Kong) Limited**

### **SUMMARY**

#### **Introduction**

The Offeror and Guoco jointly announce that Standard Chartered Bank will, on behalf of the Offeror, make a voluntary unconditional cash offer to acquire all of the issued shares in the share capital of Guoco (other than those already held by the Offeror).

#### **Consideration for the Offer**

Pursuant to the Offer, the Offeror will offer to acquire the Offer Shares for a consideration of HK\$88.00 in cash per Share.

#### **Total consideration and confirmation of financial resources**

On the basis of the Offer Price of HK\$88.00 per Share and 329,051,373 Shares in issue as at the date of this announcement, the entire issued share capital of Guoco is valued at approximately HK\$28,956,520,824. After taking into account the 235,348,529 Shares already

held by the Offeror, the Offer is valued at approximately HK\$8,245,850,272 based on the Offer Price and 93,702,844 Offer Shares.

The Offeror intends to finance the cash required for the Offer from a combination of debt financing provided by Standard Chartered Bank (in its capacity as banker to the Offeror) and internal cash resources of the Offeror. Standard Chartered Bank, being the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy full acceptance of the Offer.

### **Offer to be unconditional**

The Offer will be made on a wholly unconditional basis and, as such, all valid acceptances for the Offer Shares may not be withdrawn except in circumstances required by the Executive under Rule 19 of the Takeovers Code.

### **General information**

#### ***Independent Board Committee and independent financial adviser to the Independent Board Committee***

An Independent Board Committee, which comprises Mr. Volker Stoeckel and Mr. Roderic N.A. Sage (each being an independent non-executive Guoco Director), has been established by the Board to make a recommendation to Guoco Shareholders as to whether the Offer is, or is not, fair and reasonable and as to acceptance.

As Mr. Kwek Leng San is a non-executive Guoco Director and a director of the Offeror and he also holds Offer Shares, he is regarded as being interested in the Offer and does not form part of the Independent Board Committee. Mr. Quek Leng Chan, Mr. Kwek Leng Hai and Mr. Kwek Leng San, by virtue of their being directors of the Offeror and directors and shareholders of Hong Leong (the ultimate holding company of the Offeror), are considered to be interested in the Offer and have therefore not participated in any vote of the Board in relation to the Offer.

An independent financial adviser will be appointed (with the approval of the Independent Board Committee) to advise the Independent Board Committee in connection with the Offer. An announcement will be made by Guoco as soon as possible after an independent financial adviser has been appointed.

#### ***No dividend or other distribution***

Guoco does not intend to declare or pay any dividend or other distribution on the Shares during the Offer Period.

#### ***Compulsory acquisition and withdrawal of listing***

Subject to compliance with the relevant requirements under the Companies Act and the Offeror acquiring not less than 90% of the disinterested Shares (as defined in the Takeovers Code) within the period of four months after posting the Offer Document as required by Rule 2.11 of the Takeovers Code, the Offeror intends to exercise its rights under Section 102 or Section 103 of the Companies Act to compulsorily acquire those Shares not acquired by the Offeror pursuant to the Offer, and following which an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

Written notice of the Offeror's exercise of its right of compulsory acquisition as described above will be provided by the Offeror to those Guoco Shareholders who do not accept the Offer.

Whilst it is the intention of the Offeror to privatise Guoco, the Offeror's ability to exercise rights of compulsory acquisition is dependent on the level of acceptances of the Offer reaching the prescribed level under the Companies Act and on the requirements of Rule 2.11 of the Takeovers Code being satisfied. If the Offeror is unable to effect the compulsory acquisition set out above, the Offeror will take steps (as and when appropriate) to ensure that there is sufficient public float. In the event that the compulsory acquisition and withdrawal of listing of Guoco do not take place, there can be no assurance that the Shares will trade at or above the Offer Price in future.

Guoco Shareholders and/or potential investors in Guoco should be aware that if, at the close of the Offer, less than 25% of the Shares are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) there are insufficient Shares in public hands to maintain an orderly market,

then the Stock Exchange may exercise its discretion to suspend trading in the Shares until a level of sufficient public float is attained, and where the percentage of the public float falls below 15%, the Stock Exchange will normally require suspension of trading in the Shares.

**WARNING:**

**If the level of acceptances of the Offer reaches the prescribed level under the Companies Act and the requirements of Rule 2.11 of the Takeovers Code are satisfied, dealings in the Shares will be suspended from the final Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.**

**General matters relating to the Offer**

*Availability of the Offer*

The making and implementation of the Offer to Guoco Shareholders who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which such Guoco Shareholders are located. Such Guoco Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any overseas Guoco Shareholders wishing to take any action in relation to the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. U.S. holders of the Shares should consider the Notice to U.S. holders of the Shares on page 16 of this announcement.

The Offeror will comply with the requirements of the Takeovers Code in respect of overseas Guoco Shareholders.

*Offer Document and Response Document*

The Offer Document containing, among other things, further details of the Offer, the expected timetable together with forms of acceptance will be despatched to Guoco Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Companies Act and other applicable laws and regulations.

The Response Document containing, among other things, information regarding Guoco, recommendations from the Independent Board Committee with respect to the Offer, the letter of advice from the independent financial adviser to the Independent Board Committee, will be despatched to Guoco Shareholders on, or within 14 days of, the date of despatch of the Offer Document.

### **Resumption of Trading**

At the request of Guoco, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 4 December 2012 (Hong Kong time), pending the issue of this announcement.

Application has been made by Guoco to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 12 December 2012.

*This announcement does not constitute an offer or an invitation to purchase any securities. The Offer will be made solely by means of the Offer Document and the acceptance forms accompanying the Offer Document, which will contain the full terms and conditions of the Offer including details of how it may be accepted.*

## **1. INTRODUCTION**

The Offeror and Guoco jointly announce that Standard Chartered Bank will, on behalf of the Offeror, make a voluntary unconditional cash offer to acquire all of the issued shares in the share capital of Guoco (other than those already held by the Offeror).

## **2. THE OFFER**

### **2.1 Consideration for the Offer**

Pursuant to the Offer, the Offeror will offer to acquire the Offer Shares for a consideration of HK\$88.00 in cash per Offer Share.

### **2.2 Comparison of Value**

The Offer Price of HK\$88.00 represents:

- (a) a premium of approximately 24.8% over the closing price of HK\$70.50 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 24.7% over the volume weighted average closing price of approximately HK\$70.55 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Date;
- (c) a premium of approximately 25.3% over the volume weighted average closing price of approximately HK\$70.39 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Date less the 2012 Final Dividend for trading days prior to the Books Closure Date resulting in a net price of HK\$70.22 per Share;
- (d) a premium of approximately 25.4% over the volume weighted average closing price of approximately HK\$71.42 per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Date less the 2012 Final Dividend for trading days prior to the Books Closure Date resulting in a net price of HK\$70.15 per Share;

- (e) a premium of approximately 26.0% over the volume weighted average closing price of approximately HK\$71.35 per Share as quoted on the Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Date less the 2012 Final Dividend for trading days prior to the Books Closure Date resulting in a net price of HK\$69.82 per Share;
- (f) a premium of approximately 28.8% over the volume weighted average closing price of approximately HK\$69.89 per Share as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Date less the 2012 Final Dividend for trading days prior to the Books Closure Date resulting in a net price of HK\$68.33 per Share;
- (g) a premium of approximately 35.3% over the volume weighted average closing price of approximately HK\$66.68 per Share as quoted on the Stock Exchange for the 180 consecutive trading days up to and including the Last Trading Date less the 2012 Final Dividend for trading days prior to the Books Closure Date resulting in a net price of HK\$65.02 per Share;
- (h) a discount of approximately 33.6% to Guoco's audited consolidated net asset value of approximately HK\$134.32 per Share, calculated based on Guoco's audited consolidated net asset value attributable to Guoco Shareholders of approximately HK\$44,198 million as at 30 June 2012 as shown in the audited financial statements of Guoco as of 30 June 2012 and 329,051,373 Shares in issue as at 30 June 2012 and less the 2012 Final Dividend, resulting in a net amount of HK\$132.62 per Share; and
- (i) a discount of approximately 18.8% to Guoco's audited consolidated net tangible asset value of approximately HK\$108.38 per Share, calculated based on the aforementioned Guoco's audited consolidated net asset value (less the 2012 Final Dividend) of HK\$132.62 per Share less HK\$24.24 per Share, being the sum of the audited consolidated intangible assets and goodwill amounts of HK\$7,446 million and HK\$529 million, respectively, as at 30 June 2012 as shown in the audited financial statements of Guoco as of 30 June 2012, divided by the 329,051,373 Shares in issue as at 30 June 2012.

### **2.3 Highest and lowest prices**

During the six-month period preceding the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$74.25 on 8 October 2012 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$56.00 on 5 June 2012.

### **2.4 Total consideration**

On the basis of the Offer Price of HK\$88.00 per Share and 329,051,373 Shares in issue as at the date of this announcement, the entire issued share capital of Guoco is valued at approximately HK\$28,956,520,824. After taking into account the 235,348,529 Shares already held by the Offeror, the Offer is valued at approximately HK\$8,245,850,272 based on the Offer Price and 93,702,844 Offer Shares.

### **2.5 Settlement of consideration**

Settlement of the consideration payable in respect of acceptances of the Offer will be made as soon as possible, but in any event within 7 Business Days of the date of receipt of a duly completed and valid acceptance of the Offer.

## **2.6 Confirmation of financial resources**

The Offeror intends to finance the cash required for the Offer from a combination of debt financing provided by Standard Chartered Bank (in its capacity as banker to the Offeror) and internal cash resources of the Offeror. Standard Chartered Bank, being the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy full acceptance of the Offer.

## **2.7 Offer to be unconditional**

The Offer will be made on a wholly unconditional basis and, as such, all valid acceptances for the Offer Shares may not be withdrawn except in circumstances required by the Executive under Rule 19 of the Takeovers Code.

## **3. GENERAL INFORMATION**

### **3.1 Information on the Offeror and Hong Leong**

The Offeror is a company incorporated in Bermuda with limited liability on 16 September 1993. Its principal activity is investment holding.

The Offeror is a wholly-owned indirect subsidiary of Hong Leong. Mr. Quek Leng Chan has a direct and deemed interest of 49.27% in Hong Leong through various holding companies. Mr. Kwek Leng Kee also has a direct and deemed interest of 36.04% in Hong Leong through various holding companies. Hong Leong is an investment holding company, the subsidiaries of which are engaged in the businesses of financial services, manufacturing and distribution, property development and investment, and hospitality and leisure.

### **3.2 Information on the Guoco Group**

Guoco is incorporated in Bermuda with limited liability and listed on the Stock Exchange. It is an investment holding and investment management company. Its operating subsidiaries, associated companies and investment activities are principally located in Hong Kong, China, Singapore, Malaysia, Vietnam and the United Kingdom. The Guoco Group has four core businesses, namely (i) principal investment; (ii) property development and investment; (iii) hospitality and leisure business; and (iv) financial services.

### **3.3 Shareholding structure of Guoco**

The shareholding structure of Guoco (i) as at the date of this announcement; and (ii) immediately after completion of the Offer (assuming (x) holders of at least 90% of the disinterested Shares tender their acceptances for the Offer and the remaining Shares are compulsorily acquired by the Offeror; and (y) no additional Shares will be issued or repurchased by Guoco and there is no other change in shareholding from the date of this announcement up to and including the date of close of the Offer) is as follows:

| Name of Shareholder   | As at the date of this announcement |                            | Immediately after completion of the Offer <sup>1</sup> |                            |
|---|-------------------------------------|----------------------------|--|----------------------------|
|   | No. of Shares held                  | Approx. % of issued Shares | No. of Shares held                                     | Approx. % of issued Shares |
| <b>Offeror</b>  | 235,348,529                         | 71.52                      | 329,051,373  | 100                        |
| <b>Concert Parties</b>  |                                     |                            |  |                            |
| <i>Shares held subject to the Offer:</i>                                      |                                     |                            |  |                            |
| - Mr. Kwek Leng Hai <sup>2</sup>  | 3,800,775                           | 1.16                       | -  | -                          |
| - Mr. Kwek Leng San <sup>3</sup>  | 209,120                             | 0.06                       | -  | -                          |
| - Mr. Quek Leng Chan <sup>4</sup>   | 1,656,325                           | 0.50                       | -  | -                          |
| - Mr. Quek Leng Chye <sup>5</sup>   | 16,822                              | 0.01                       | -  | -                          |
| - AFCW <sup>6</sup>   | 4,026,862                           | 1.22                       | -  | -                          |
| <b>Aggregate number of Shares held by the Concert Parties</b>                 | 9,709,904                           | 2.95                       | -  | -                          |
| <b>Aggregate number of Shares held by the Offeror and the Concert Parties</b> | 245,058,433                         | 74.47                      | 329,051,373  | 100                        |
| <b>Independent Guoco Shareholders</b>   | 83,992,940                          | 25.53                      | -  | -                          |
| <b>Total:</b>   | 329,051,373                         | 100                        | 329,051,373  | 100                        |

*Notes:*

1. The post-completion shareholding shown in the above table assumes that (i) holders of at least 90% of the disinterested Shares tender their acceptances for the Offer and the remaining Shares are compulsorily acquired by the Offeror; and (ii) no additional Shares will be issued or repurchased by Guoco and there is no other change in shareholding from the date of this announcement up to and including the date of close of the Offer.
2. Mr. Kwek Leng Hai is a director of the Offeror and therefore a deemed Concert Party.
3. Mr. Kwek Leng San is a director of the Offeror and therefore a deemed Concert Party.
4. Mr. Quek Leng Chan is a director of the Offeror and therefore a deemed Concert Party. As at the date of this announcement, he holds 1,056,325 Shares under his personal name and 600,000 Shares through CL which is wholly-owned by him.

5. Mr. Quek Leng Chye is a brother of Mr. Quek Leng Chan, Mr. Kwek Leng Hai and Mr. Kwek Leng San and therefore a deemed Concert Party.
6. AFCW is a wholly-owned indirect subsidiary of Guoco and the trustee of the share option plan adopted by Guoco on 16 December 2002. The Offeror is deemed to be interested (as defined under the SFO) in the 4,026,862 Shares held by AFCW as at the date of this announcement.

The Offeror and the Concert Parties hold 245,058,433 Shares in aggregate (representing approximately 74.47% of the issued share capital of Guoco), as at the date of this announcement.

As at the date of this announcement, GCL, a wholly-owned indirect subsidiary of Hong Leong and a Concert Party, holds unlisted cash settled derivatives in respect of 5,200,000 underlying Shares (representing approximately 1.58% of the issued share capital of Guoco). In addition, according to a contract entered into on 16 October 2012, GCL also holds unlisted derivatives in respect of 50,000 underlying Shares (representing approximately 0.02% of the issued share capital of Guoco), which provide for cash or physical settlement at the election of GCL.

Save as disclosed above, there are no outstanding convertible securities, warrants, options or derivatives in respect of the Shares which have been entered into by the Offeror or the Concert Parties as at the date of this announcement and the Offeror or the Concert Parties have not dealt in Shares during the period beginning six months prior to the date of this announcement.

As at the date of this announcement, there are 329,051,373 Shares in issue. As at the date of this announcement, Guoco does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares, has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

### **3.4 Independent Board Committee and independent financial adviser to the Independent Board Committee**

The Board comprises six Directors, three of whom (namely, Mr. Quek Leng Chan, Mr. Kwek Leng Hai and Mr. Tan Lim Heng) are executive Directors, one of whom (namely, Mr. Kwek Leng San) is a non-executive Director and the remaining two of whom (namely, Mr. Volker Stoeckel and Mr. Roderic N.A. Sage) are independent non-executive Directors.

An Independent Board Committee, which comprises Mr. Volker Stoeckel and Mr. Roderic N.A. Sage (each being an independent non-executive Guoco Director), has been established by the Board to make a recommendation to Guoco Shareholders as to whether the Offer is, or is not, fair and reasonable and as to acceptance.

As Mr. Kwek Leng San is a non-executive Guoco Director and a director of the Offeror and he also holds Offer Shares, he is regarded as being interested in the Offer and does not form part of the Independent Board Committee. Mr. Quek Leng Chan, Mr. Kwek Leng Hai and Mr. Kwek Leng San, by virtue of their being directors of the Offeror and directors and shareholders of Hong Leong (the ultimate holding company of the Offeror), are considered to be interested in the Offer and have therefore not participated in any vote of the Board in relation to the Offer.

An independent financial adviser will be appointed (with the approval of the Independent Board Committee) to advise the Independent Board Committee in connection with the Offer. An announcement will be made by Guoco as soon as possible after an independent financial adviser has been appointed.



### **3.5 No dividend or other distribution**

Guoco does not intend to declare or pay any dividend or other distribution on the Shares during the Offer Period.

### **3.6 Reasons for and benefits of the Offer**

The Offeror is of the view that:

- (a) the proposed privatisation of Guoco, if successful, will simplify the shareholding structure of Guoco and improve corporate efficiency. Full ownership of Guoco by the Offeror will facilitate integration between the Offeror Group and Guoco and will provide the Offeror Group with greater flexibility to support the future business development of Guoco and its subsidiaries; and
- (b) if successful, the proposed privatisation of Guoco is also expected to lead to cost savings through the simplification of the structure and dispensation of costs associated with compliance and maintaining the listing of Shares, allowing Guoco to solely focus its resources on business operations.

### **3.7 Intentions of the Offeror**

The Offeror intends to continue with the existing business of the Guoco Group and does not intend to introduce significant changes to the existing operations. It is also the intention of the Offeror that there will not be significant changes in the management and employees of the Guoco Group as a result of the Offer.

### **3.8 Compulsory acquisition and withdrawal of listing**

Subject to compliance with the relevant requirements under the Companies Act and the Offeror acquiring not less than 90% of the disinterested Shares (as defined in the Takeovers Code) within the period of four months after posting the Offer Document as required by Rule 2.11 of the Takeovers Code, the Offeror intends to exercise its rights under Section 102 or Section 103 of the Companies Act to compulsorily acquire those Shares not acquired by the Offeror pursuant to the Offer, and following which an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

Written notice of the Offeror's exercise of its right of compulsory acquisition as described above will be provided by the Offeror to those Guoco Shareholders who do not accept the Offer.

Whilst it is the intention of the Offeror to privatise Guoco, the Offeror's ability to exercise rights of compulsory acquisition is dependent on the level of acceptances of the Offer reaching the prescribed level under the Companies Act and on the requirements of Rule 2.11 of the Takeovers Code being satisfied. If the Offeror is unable to effect the compulsory acquisition set out above, the Offeror will take steps (as and when appropriate) to ensure that there is sufficient public float. In the event that the compulsory acquisition and withdrawal of listing of Guoco do not take place, there can be no assurance that the Shares will trade at or above the Offer Price in future.

Guoco Shareholders and/or potential investors in Guoco should be aware that if, at the close of the Offer, less than 25% of the Shares are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) there are insufficient Shares in public hands to maintain an orderly market,

then the Stock Exchange may exercise its discretion to suspend trading in the Shares until a level of sufficient public float is attained, and where the percentage of the public float falls below 15%, the Stock Exchange will normally require suspension of trading in the Shares.

**WARNING:**

**If the level of acceptances of the Offer reaches the prescribed level under the Companies Act and the requirements of Rule 2.11 of the Takeovers Code are satisfied, dealings in the Shares will be suspended from the final Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.**

**3.9 Further terms of the Offer**

(a) *Offer Shares*

Under the terms of the Offer, the Offer Shares will be acquired with all rights attached thereto as at the date of this announcement or which subsequently become attached thereto, including the right to receive in full all dividends and other distributions, if any, declared, made or paid, on or after the date of this announcement, and free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and third party rights.

(b) *Hong Kong stamp duty*

Seller's ad valorem stamp duty arising in connection with acceptance of the Offer will be payable by each Guoco Shareholder at the rate of HK\$1.00 for every HK\$1,000 or part thereof of the consideration payable by the Offeror for such person's Shares and will be deducted from the cash amount due to such accepting Guoco Shareholder. The Offeror will pay the buyer's ad valorem stamp duty on its own behalf and, subject to such deduction aforesaid, will be responsible to account to the Stamp Office of Hong Kong for all the stamp duty payable for the sale and purchase of the Shares which are validly tendered for acceptance under the Offer.

**3.10 General matters relating to the Offer**

(a) *Availability of the Offer*

The making and implementation of the Offer to Guoco Shareholders who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which such Guoco Shareholders are located. Such Guoco Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any overseas Guoco Shareholders wishing to take any action in relation to the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. U.S. holders of the Shares should consider the Notice to U.S. holders of the Shares on page 16 of this announcement.

The Offeror will comply with the requirements of the Takeovers Code in respect of overseas Guoco Shareholders.

(b) ***Offer Document and Response Document***

The Offer Document containing, among other things, further details of the Offer, the expected timetable together with forms of acceptance will be despatched to Guoco Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Companies Act and other applicable laws and regulations.

The Response Document containing, among other things, information regarding Guoco, recommendations from the Independent Board Committee with respect to the Offer, the letter of advice from the independent financial adviser to the Independent Board Committee, will be despatched to Guoco Shareholders on, or within 14 days of, the date of despatch of the Offer Document.

(c) ***Further agreements or arrangements***

As at the date of this announcement:

- (i) there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the Shares or shares of the Offeror and which might be material to the Offer;
- (ii) there are no agreements or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offer;
- (iii) none of the Offeror nor any of the Concert Parties has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Guoco; and
- (iv) no irrevocable commitment to accept the Offer has been received by the Offeror or any of the Concert Parties.

(d) ***Completion of the Offer***

Under the Takeovers Code, the first Closing Date of the Offer will, assuming that the Offer Document and the Response Document are posted on the same date, fall on or after the 21<sup>st</sup> day from the date the Offer Document and the Response Document are posted. If the Response Document is posted after the date of the Offer Document, the first Closing Date will fall on or after the 28<sup>th</sup> day from the date the Offer Document is posted.

Further, as the Offeror will state in the Offer Document its intention to avail itself of any powers of compulsory acquisition, the Offer may not remain open for acceptance for more than four months from the posting of the Offer Document, unless the Offeror has by that time become entitled to exercise such powers of compulsory acquisition, in which event it must do so without delay.

(e) ***Disclosure of dealings***

Associates of Guoco or the Offeror (as defined in the Takeovers Code, including persons who own or control 5% or more of the relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of Guoco or the Offeror) are hereby reminded to disclose their dealings in any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of Guoco under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

***“Responsibilities of stockbrokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that cooperation.”*

**4. RESUMPTION OF TRADING**

At the request of Guoco, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 4 December 2012 (Hong Kong time), pending the issue of this announcement.

Application has been made by Guoco to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 12 December 2012.

**5. DEFINITIONS**

In this announcement, save as the context otherwise requires, the defined terms have the following meanings:

“2012 Final Dividend” means the final dividend of HK\$1.70 per Share for the financial year ended 30 June 2012 which was paid by Guoco on 3 December 2012 to the Guoco Shareholders on Guoco’s register of members as at the close of the Books Closure Date;

“acting in concert” shall have the meaning set out in the Takeovers Code;

“AFCW” means Asian Financial Common Wealth (PTC) Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned indirect subsidiary of Guoco;

“associate(s)” has the meaning ascribed to that term in the Takeovers Code;

“Board” means the board of directors of Guoco;

“Books Closure Date” means 21 November 2012;

|                               |  |
|-------------------------------|--|
| “Business Days”               | means a day on which securities listed on the Stock Exchange are traded;   |
| “CL”                          | means Chaghese Limited, a company incorporated in Cayman Islands with limited liability and a company wholly-owned by Mr. Quek Leng Chan;  |
| “Closing Date”                | means the date to be stated in the Offer Document as the first closing date of the Offer or any subsequent closing date as may be announced by the Offeror in compliance with the Takeovers Code or with the approval of the Executive;                              |
| “Companies Act”               | means the Companies Act 1981 of Bermuda;   |
| “Concert Party(ies)”          | means AFCW, CL, Mr. Quek Leng Chan, Mr. Kwek Leng Hai, Mr. Kwek Leng San, Mr. Kwek Leng Chye, GCL and any other parties acting in concert with the Offeror, as determined in accordance with the Takeovers Code;   |
| “Executive”                   | means the Executive Director of the Corporate Finance Division of the SFC and any of its delegates;  |
| “GCL”                         | means GuoLine Capital Limited, a company incorporated in Bermuda with limited liability and a wholly-owned indirect subsidiary of Hong Leong;  |
| “Guoco”                       | means Guoco Group Limited, a company incorporated in Bermuda with limited liability and whose Shares are listed on the Stock Exchange;   |
| “Guoco Directors”             | means the directors of Guoco;  |
| “Guoco Group”                 | means Guoco and its subsidiaries;  |
| “Guoco Shareholder(s)”        | means the holder(s) of the Shares;   |
| “HK\$”                        | means Hong Kong Dollars, the lawful currency of Hong Kong;   |
| “Hong Kong”                   | means the Hong Kong Special Administrative Region of the People’s Republic of China;   |
| “Hong Leong”                  | means Hong Leong Company (Malaysia) Berhad, a company incorporated in Malaysia with limited liability;   |
| “Hong Leong Directors”        | means the directors of Hong Leong;   |
| “Independent Board Committee” | means the independent committee of the Board established pursuant to Rule 2.1 of the Takeovers Code, as described in the section headed “3.4 Independent Board Committee and independent financial adviser to the Independent Board Committee” of this announcement; |

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| “Independent Guoco Shareholder(s)” | means the Guoco Shareholder(s) other than the Offeror and the Concert Parties;  |
| “Last Trading Date”                | 3 December 2012, being the final day of trading prior to suspension of trading in the Shares and the last trading day for the Shares before the date of this announcement;  |
| “Listing Rules”                    | means the Rules Governing the Listing of Securities on the Stock Exchange;  |
| “Offer”                            | means the voluntary unconditional cash offer to be made by Standard Chartered Bank on behalf of the Offeror to acquire all the Offer Shares for a consideration of HK\$88.00 in cash per Offer Share;                             |
| “Offer Document”                   | means the document required to be issued by, or on behalf of, the Offeror to all Guoco Shareholders in accordance with the Takeovers Code containing, inter alia, details of the Offer and the terms and conditions of the Offer; |
| “Offer Period”                     | has the meaning ascribed to it under the Takeovers Code;  |
| “Offer Price”                      | means HK\$88.00 for each Offer Share;   |
| “Offer Share(s)”                   | means any and all of the Shares, other than those already held by the Offeror, including Shares held by the Concert Parties;  |
| “Offeror”                          | means GuoLine Overseas Limited, a company incorporated in Bermuda with limited liability and a wholly-owned indirect subsidiary of Hong Leong;  |
| “Offeror Directors”                | means the directors of the Offeror;   |
| “Offeror Group”                    | means the Offeror and its subsidiaries (excluding the Guoco Group);   |
| “Response Document”                | means the document required to be issued by Guoco to Guoco Shareholders in accordance with the Takeovers Code containing, inter alia, the board circular of Guoco;  |
| “SFC”                              | means the Securities and Futures Commission of Hong Kong;   |
| “SFO”                              | means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);   |
| “Shares”                           | means the ordinary shares of US\$0.50 each in the issued share capital of Guoco;  |

|                           |  |
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| “Standard Chartered Bank” | means Standard Chartered Bank (Hong Kong) Limited, the financial adviser to the Offeror. Standard Chartered Bank is a licensed corporation under the Securities and Futures Ordinance, licensed to carry out for Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities; |
| “Stock Exchange”          | means The Stock Exchange of Hong Kong Limited;   |
| “subsidiaries”            | has the meaning ascribed to that term in the Listing Rules;  |
| “Takeovers Code”          | means The Code on Takeovers and Mergers of Hong Kong;  |
| “US\$”                    | means United States Dollars, the lawful currency of the United States of America; and  |
| “%”                       | per cent. or percentage  |

*Certain amounts and percentage figures in this announcement have been subject to rounding adjustments.*

By order of the board  
**GuoLine Overseas Limited**  
**Tang Hong Cheong**  
*Authorised Representative*

By order of the board  
**Guoco Group Limited**  
**Stella Lo Sze Man**  
*Company Secretary*

Hong Kong, 12 December 2012

*The Offeror Directors and the Hong Leong Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Guoco Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Guoco Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*

*As at the date of this announcement, the board of directors of the Offeror comprises Mr. Quek Leng Chan, Mr. Kwek Leng San, Mr. Kwek Leng Beng and Mr. Kwek Leng Hai and the board of directors of Hong Leong comprises Mr. Quek Leng Chan, Mr. Kwek Leng Beng, Mr. Kwek Leng Hai, Mr. Kwek Leng Peck, Dr. Poh Soon Sim and Mr. Kwek Leng San.*

*The Guoco Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror, the Offeror Group, the Concert Parties and Standard Chartered Bank) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Offeror, the Offeror Group, the Concert Parties and Standard Chartered Bank) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*

*As at the date of this announcement, the board of directors of Guoco comprises Mr. Quek Leng Chan as Executive Chairman; Mr. Kwek Leng Hai as President, CEO and executive director; Mr. Tan Lim Heng as executive director; Mr. Kwek Leng San as non-executive director and Mr. Volker Stoeckel and Mr. Roderic N.A. Sage as independent non-executive directors.*

### ***Notice to U.S. Holders of the Shares***

*The Offer is being made for the securities of a company incorporated in Bermuda with limited liability and is subject to Hong Kong disclosure requirements, which are different from those of the United States. The financial information included in this document has been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offer will be made in the United States pursuant to the applicable U.S. tender offer rules and otherwise in accordance with the requirements of Hong Kong law. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, that are different from those applicable under U.S. domestic tender offer procedures and law.*

*The receipt of cash pursuant to the Offer by a U.S. holder of the Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each U.S. holder of the Shares is urged to consult his independent professional advisor immediately regarding the tax consequences of acceptance of the Offer.*

*It may be difficult for U.S. holders of the Shares to enforce their rights and claims arising out of the U.S. federal securities laws, since Offeror and Guoco are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. U.S. holders of the Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgement.*

*In accordance with normal Hong Kong practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, the Offeror or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Shares outside of the United States, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be reported to the SFC and will be available on the SFC website at [www.sfc.hk](http://www.sfc.hk).*