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**GuoLine Overseas Limited**

(Incorporated in Bermuda with limited liability)



**國浩集團有限公司**  
**Guoco Group Limited**

(Incorporated in Bermuda with limited liability)  
(Stock Code: 53)

## **JOINT ANNOUNCEMENT**

**(1) PROPOSED PRIVATISATION OF  
GUOCO GROUP LIMITED  
BY GUOLINE OVERSEAS LIMITED  
BY WAY OF A SCHEME OF ARRANGEMENT  
(UNDER SECTION 99 OF THE COMPANIES ACT)**

**(2) PROPOSED SPECIAL DIVIDEND BY  
WAY OF DISTRIBUTION IN-SPECIE BY  
GUOCO GROUP LIMITED OF  
ORDINARY SHARES IN HONG LEONG  
FINANCIAL GROUP BERHAD**

**AND**

**(3) PROPOSED WITHDRAWAL OF LISTING BY  
GUOCO GROUP LIMITED**

**EVERCORE**

**Evercore Asia Limited**

**and**



**PLATINUM**  
Securities

**Platinum Securities Company Limited**

Joint Financial Advisers to GuoLine Overseas Limited

## INTRODUCTION

The Offeror and Guoco jointly announce that on 29 June 2018, the Offeror requested that the Guoco Board put forward to the Shareholders a proposal which will involve the privatisation of Guoco by way of a scheme of arrangement under Section 99 of the Companies Act (the *Scheme*) and, subject to the Scheme having become binding and effective in accordance with its terms, the payment by Guoco of a special dividend (by way of a distribution in-specie) of up to 291,117,141 ordinary shares in HLFG (a company in which Guoco has a 25.37% shareholding interest) (the *Distribution*, together with the Scheme, the *Proposal*) to Shareholders whose names appear on the register of members of Guoco on the Record Date.

Upon completion of the Proposal, the Offeror will own 100% of the Shares, and Guoco will, as soon as practicable thereafter, make an application for the withdrawal of the listing of the Shares on the Stock Exchange.

The Offeror has appointed Evercore and Platinum as its joint financial advisers in connection with the Proposal.

The Guoco Board will appoint an independent financial adviser (with the approval of the Guoco IBC) to advise the Guoco IBC in respect of the Proposal in due course. A further announcement will be made by Guoco upon the appointment of the independent financial adviser.

## TERMS OF THE PROPOSAL

Under the Proposal, the Scheme Shareholders will be able to receive the Scheme Consideration together with their entitlements under the Distribution. The Scheme Shareholders can irrevocably elect whether to receive their entitlements under the Distribution either in cash (the Cash Alternative in an amount calculated by reference to the VWAP Price per HLFG Share) or in scrip form (as Scrip Alternative Shares).

Those Scheme Shareholders electing to receive the Cash Alternative will be entitled to receive a Total Price of HK\$135 per Scheme Share comprising:

- a cash amount per Scheme Share equal to the Scheme Consideration (under the Scheme) to be paid by the Offeror; and
- the Cash Alternative Amount (under the Distribution) to be arranged by the Offeror as further detailed in the section headed “The Distribution” (i.e. the amount per Share equal to 0.8847 HLFG Shares multiplied by the VWAP Price).

Those Scheme Shareholders electing to receive the Scrip Alternative will be entitled to receive:

- a cash amount per Scheme Share equal to the Scheme Consideration (under the Scheme) to be paid by the Offeror; and
- Scrip Alternative Shares (under the Distribution) (i.e. 0.8847 HLFM Shares for every one Share, rounded down to the nearest whole number).

The amount of the Scheme Consideration that each Scheme Shareholder will receive will be the same regardless of whether a Scheme Shareholder elects to receive the Cash Alternative Amount or the Scrip Alternative Shares. The Scheme Consideration is equal to the Total Price less the Cash Alternative Amount and will be determined once the Cash Alternative Amount has been calculated, as further detailed in the section headed “The Distribution”.

The Scheme Consideration will be funded by the Offeror and the Distribution in-specie will be made by Guoco. The Cash Alternative Amount will be arranged by the Offeror.

The aggregate Total Price payable in cash for all Scheme Shares under the Proposal, assuming all Scheme Shareholders elect the Cash Alternative and assuming no change in the total number of Shares in issue since the Latest Practicable Date, is approximately HK\$12,491,069,805.

The Total Price of HK\$135 per Scheme Share represents:

- a premium of approximately 14.4% over the closing price of HK\$118.00 per Share on the Announcement Date;
- a premium of approximately 14.4% over the closing price of HK\$118.00 per Share on the Last Trading Day;
- a premium of approximately 16.9% over the volume weighted average closing price of approximately HK\$115.49 per Share based on the daily closing prices as quoted on the Stock Exchange for the 7 trading days up to and including the Last Trading Day;
- a premium of approximately 17.7% over the volume weighted average closing price of approximately HK\$114.66 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 22.7% over the volume weighted average closing price of approximately HK\$109.99 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 24.0% over the volume weighted average closing price of approximately HK\$108.88 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;

- a premium of approximately 17.9% over the volume weighted average closing price of approximately HK\$114.52 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day; and
- a discount of approximately 32.7% to the unaudited consolidated net asset value per Share attributable to Shareholders of approximately HK\$200.63 as at 31 December 2017, calculated based on Guoco's unaudited consolidated net asset value attributable to Shareholders of approximately HK\$66,018,263,000 as at 31 December 2017 and 329,051,373 Shares in issue as at 31 December 2017.

## **WORKED EXAMPLE FOR ILLUSTRATIVE PURPOSES**

The following worked example illustrates how the Scheme Shareholders will receive their entitlements under the Proposal. Because the Cash Alternative Amount is currently not known (and will only be known at the end of the VWAP Period), this worked example has been prepared on the assumptions that:

- the Cash Alternative Amount is HK\$31.12 per Scheme Share. This amount equates to 0.8847 multiplied by a notional VWAP Price per HLFG Share of HK\$35.18 (based on the last 14 trading days ending on the Latest Practicable Date at the Distribution Exchange Rate as at 9:00 a.m. on the Latest Practicable Date) (the *Notional VWAP Price per HLFG Share*); and
- the relevant Scheme Shareholder holds 1,000 Scheme Shares (entitling the Scheme Shareholder to 884.7 HLFG Shares (which will be rounded down to the nearest whole number, so the Scheme Shareholder would be entitled to 884 HLFG Shares) under the Scrip Alternative).

### ***If the Scheme Shareholder elects for the Cash Alternative***

Under this worked example, the Scheme Shareholder electing to receive the Cash Alternative Amount would be entitled to receive a cash amount per Scheme Share equal to the Total Price of HK\$135, comprised as follows:

- a cash amount per Scheme Share equal to the notional Scheme Consideration, which would equal HK\$103.88 (being the Total Price less 0.8847 multiplied by the Notional VWAP Price per HLFG Share) to be paid by the Offeror under the Scheme; and
- 0.8847 multiplied by the Notional VWAP Price per HLFG Share, which would equal HK\$31.12, to be arranged by the Offeror.

Based on a holding of 1,000 Scheme Shares, the Scheme Shareholder would receive an aggregate cash Total Price of HK\$135,000, comprised as follows:

- an aggregate cash amount of HK\$103,878.74 as the aggregate notional Scheme Consideration under the Scheme; and
- an aggregate notional Cash Alternative Amount of HK\$31,121.26 being 884.7 HLFG Shares multiplied by the Notional VWAP Price per HLFG Share under the Distribution.

***If the Scheme Shareholder elects for the Scrip Alternative***

Under this worked example, the Scheme Shareholder electing for the Scrip Alternative would be entitled to receive an entitlement per Scheme Share, comprised as follows:

- a cash amount per Scheme Share equal to the notional Scheme Consideration, which would equal HK\$103.88 (being the Total Price less 0.8847 multiplied by the Notional VWAP Price per HLFG Share) to be paid by the Offeror under the Scheme; and
- Scrip Alternative Shares (i.e. 0.8847 HLFG Shares for every one Share, rounded down to the nearest whole number).

Based on a holding of 1,000 Scheme Shares, the Scheme Shareholder would receive:

- an aggregate cash amount of HK\$103,878.74 as the aggregate notional Scheme Consideration under the Scheme; and
- 884 HLFG Shares (rounded down to the nearest whole number) under the Distribution.

The market value of the 884 HLFG Shares received under the Distribution in the above worked example will fluctuate depending on the market value of HLFG Shares from time to time. The price per HLFG Share was RM18.00 as at close of business on the Latest Practicable Date, equivalent to HK\$34.40 per HLFG Share at the Distribution Exchange Rate (as at 9:00 a.m. on the Latest Practicable Date). On that basis, the market value based on the closing price on the Latest Practicable Date of the 884 HLFG Shares received in the above worked example would be HK\$30,411.81 in aggregate (or HK\$30.41 per Scheme Share).

**The Scheme Shareholders should be aware that this worked example is for illustrative purposes only and does not constitute any representation that the actual Scheme Consideration, the actual VWAP Price or the actual Cash Alternative Amount will be as assumed under this worked example.**

**Under the Proposal, the actual Scheme Consideration, the actual VWAP Price and the actual Cash Alternative Amount will only be confirmed at the end of the VWAP Period (further details of which are set out in the “The Distribution” section).**

**However, the Scheme Consideration, together with the Cash Alternative Amount (if a Scheme Shareholder elects for the Cash Alternative), will always equal the Total Price.**

The following table further illustrates, for reference purposes only, the above description of the worked example on how the Scheme Shareholders will receive their entitlements per Scheme Share depending on such Scheme Shareholders' irrevocable election between the Cash Alternative and the Scrip Alternative:

	<b>Cash Alternative per Scheme Share</b>	<b>Scrip Alternative per Scheme Share</b>
Scheme Consideration ( <i>X</i> )	TP – Y	TP – Y
Cash Alternative Amount ( <i>Y</i> )	0.8847 multiplied by the VWAP Price per HLFG Share	Not applicable
Scrip Alternative Shares	Not applicable	0.8847 HLFG Shares
Element of Total Price per Scheme Share	X + Y	X + 0.8847 HLFG Shares (rounded down to the nearest whole number)

For the purposes of the above table:

*TP* = Total Price

*X* = Scheme Consideration

*Y* = Cash Alternative Amount

The actual Scheme Consideration and the actual Cash Alternative Amount will be determined based on the actual VWAP Price per HLFG Share and will, therefore, only be known at the end of the VWAP Period after the Announcement Date. The relevant Scheme Shareholders will be notified as soon as practicable of the actual Scheme Consideration and the actual Cash Alternative Amount once known.

Using the Notional VWAP Price per HLFG Share, the notional Scheme Consideration would equal HK\$103.88.

For reference purposes only, the notional Scheme Consideration represents:

- a discount of approximately 12.0% over the closing price of HK\$118.00 per Share on the Announcement Date;

- a discount of approximately 12.0% over the closing price of HK\$118.00 per Share on the Last Trading Day;
- a discount of approximately 10.1% over the volume weighted average closing price of approximately HK\$115.49 per Share based on the daily closing prices as quoted on the Stock Exchange for the 7 trading days up to and including the Last Trading Day;
- a discount of approximately 9.4% over the volume weighted average closing price of approximately HK\$114.66 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a discount of approximately 5.6% over the volume weighted average closing price of approximately HK\$109.99 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a discount of approximately 4.6% over the volume weighted average closing price of approximately HK\$108.88 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day; and
- a discount of approximately 9.3% over the volume weighted average closing price of approximately HK\$114.52 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day.

**The above comparison of the notional Scheme Consideration against the closing price per Share and the volume weighted average closing price per Share is a worked example for illustrative purposes only. These are unadjusted for the Distribution and such comparisons are, therefore, not like for like comparisons.**

**The Scheme Consideration, together with the Cash Alternative Amount (if a Scheme Shareholder elects for the Cash Alternative), will always equal the Total Price. As the Scheme and the Distribution are inter-conditional (further details of which are set out in the “Conditions of the Scheme” section), there will not be a situation where a Scheme Shareholder will receive the Scheme Consideration only.**

**The Scheme Shareholders should be aware that above worked example is for illustrative purposes only and does not constitute any representation that the actual Scheme Consideration, the actual VWAP Price per HLF Share or the actual Cash Alternative Amount will be as assumed under this worked example.**

**Under the Proposal, the actual Scheme Consideration, the actual VWAP Price per HLF Share and the actual Cash Alternative Amount will only be confirmed at the end of the VWAP Period (further details of which are set out in the “The Distribution” section).**

## **CONDITIONS OF THE PROPOSAL**

The Proposal is conditional upon the satisfaction or valid waiver (as applicable) of the conditions described in the sections headed “Conditions of the Scheme” and “Conditions of the Distribution”.

All Scheme Conditions and Distribution Conditions will have to be satisfied or validly waived (as applicable), on or before the Long Stop Date to be set out in the Scheme Document, failing which the Proposal will lapse.

## **FINANCIAL RESOURCES**

The total maximum cash consideration payable under the Proposal is HK\$12,491,069,805 (assuming all the Scheme Shareholders elect for the Cash Alternative). The Offeror intends to finance the cash required for the Proposal from a combination of external debt financing and internal cash resources of the Offeror. Platinum, being one of the joint financial advisers to the Offeror in respect of the Proposal, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to implement the Proposal in full in accordance with its terms.

## **THE SCHEME**

Under the Proposal, subject to the Scheme becoming binding and effective in accordance with its terms, each of the Scheme Shares will be cancelled in exchange for the Scheme Consideration. Upon such cancellation, the issued share capital of Guoco will be restored to its former number by the issuance to the Offeror, credited as fully paid, of the same number of Shares as the number of Scheme Shares cancelled. The reserve created in Guoco’s books of account as a result of any reduction in issued share capital will be applied to the paying up in full of the new Shares so issued, credited as fully paid, to the Offeror.

The Scheme Consideration is an amount per Scheme Share equal to the Total Price less the Cash Alternative Amount (further details of which are set out in “The Distribution” section).

In addition to the Scheme Consideration, those Scheme Shareholders electing for the Cash Alternative will receive the Cash Alternative Amount under the Distribution and those Scheme Shareholders electing for the Scrip Alternative will receive Scrip Alternative Shares under the Distribution, subject to the Scheme and the Distribution having become binding and effective in accordance with their terms.

The actual amounts of the Scheme Consideration and the Cash Alternative Amount will be confirmed at the end of the VWAP Period (further details of which are set out in “The Distribution” section) and notified to Shareholders by way of a separate announcement (which will include an updated opinion of the independent financial adviser to the Guoco IBC) which will be made at least 14 days before the Court Meeting.

In the event that a Scheme Shareholder does not elect to receive their entitlement under the Cash Alternative or the Scrip Alternative, or if such election is unclear or invalid, such Scheme Shareholder will be deemed to have elected to receive their entitlement under the Cash Alternative, subject to the Scheme having become binding and effective in accordance with its terms.

## **CONDITIONS OF THE SCHEME**

The Scheme will become binding and effective on Guoco and all Scheme Shareholders subject to satisfaction or valid waiver (as applicable) of the following Scheme Conditions:

- (a) Guoco Assets Sdn Bhd, Guoco's wholly owned subsidiary, having distributed 291,117,141 HLFG Shares to Guoco;
- (b) the approval of the Scheme by a majority in number of Scheme Shareholders present and voting at the Court Meeting representing not less than three-fourths in value of those Scheme Shares that are voted either in person or by proxy by the Scheme Shareholders at the Court Meeting;
- (c) the approval of the Scheme (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by the Independent Scheme Shareholders that are voted either in person or by proxy at the Court Meeting, provided that the number of votes cast against the resolution to approve (by way of poll) the Scheme is not more than 10% of the votes attaching to all the Scheme Shares held by the Independent Scheme Shareholders;
- (d) the passing by Shareholders of a special resolution at the Guoco SGM to approve any reduction of the issued share capital of Guoco by the cancellation of the Scheme Shares, and an ordinary resolution to apply the reserve created by the cancellation of the Scheme Shares to simultaneously restore the issued share capital of Guoco by the allotment and issue of an equal number of Shares (credited as fully paid) to the Offeror;
- (e) the sanction of the Scheme (with or without modification) by the Court and the delivery to the Registrar of Companies in Bermuda of a copy of the order of the Court for registration;
- (f) the approval of the Distribution (by way of poll) by at least a majority of the votes attaching to the Shares held by the Shareholders that are voted either in person or by proxy at the Guoco SGM;
- (g) the approval of the Distribution (by way of poll) by at least a majority of the votes

attaching to the Shares held by the Independent Scheme Shareholders that are voted either in person or by proxy at the Guoco SGM;

- (h) the necessary compliance with the procedural requirements and conditions, if any, of section 46(2) of the Companies Act in relation to any reduction of the issued share capital of Guoco referred to in (d) above;
- (i) all Authorisations having been obtained or made from, with or by (as the case may be) the Relevant Authorities in Bermuda, Hong Kong and/or any other relevant jurisdictions;
- (j) the Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes binding and effective in accordance with its terms;
- (k) if required, the obtaining by the Offeror of such other necessary consent, approval, permission, waiver or exemption which may be required from any Relevant Authorities or other third parties which are necessary or desirable for the performance of the Scheme under applicable laws and regulations;
- (l) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Scheme or its implementation in accordance with its terms);
- (m) all necessary consents which may be required under any existing material contractual obligations of Guoco being obtained; and
- (n) save as publicly announced prior to the Announcement Date, since 31 December 2017 (being the date to which the latest published unaudited accounts of Guoco were made up):
  - (i) there having been no material adverse change in the business, financial or trading position or prospects of any member of the Guoco Group to an

extent which is material in the context of the Guoco Group taken as a whole; and

- (ii) there not having been instituted or remaining outstanding any material litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Guoco Group is a party (whether as plaintiff or defendant or otherwise) and no such proceedings having been threatened in writing against any such member and no investigation by any government or quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member in each case which is material and adverse in the context of the Guoco Group taken as a whole.

The Scheme Conditions (a) to (h) above are not waivable. The Offeror reserves the right to waive any of the Scheme Conditions (i) to (n), either in whole or in respect of any particular matter. All of the Scheme Conditions will have to be satisfied or validly waived (as applicable), on or before the Long Stop Date to be set out in the Scheme Document, otherwise the Scheme will not become effective. When the Scheme Conditions are satisfied or validly waived (as applicable) the Scheme will become binding and effective on Guoco and all the Scheme Shareholders.

Assuming that the Scheme Conditions are satisfied or validly waived (as applicable) on or before the Long Stop Date, it is expected that the Scheme will become binding and effective on or before 31 January 2019. A detailed expected timetable will be included in the Scheme Document.

In respect of the Scheme Conditions (i), (j), (k) and (m), the Offeror is not currently aware of any Authorisations or consents which are required. The Offeror is not a party to any agreements or arrangements which relate to circumstances in which it may or may not invoke or seek to invoke any of the above conditions to the Proposal. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke any condition so as to cause the Scheme not to become binding and effective unless the circumstances which give rise to the right to invoke the condition are of material significance to the Offeror in the context of the Scheme.

## **THE DISTRIBUTION**

Under the Proposal, subject to the Scheme having become binding and effective in accordance with its terms, Guoco will pay a special dividend (to be effected by way of a distribution in-specie) of up to 291,117,141 HLFG Shares, representing approximately 25.37% of HLFG's issued share capital, to all Shareholders whose names appear on the register of members of Guoco on the Record Date.

On 29 June 2018, the Guoco Board, recognising that the Distribution is an integral part of the Proposal, recommended the amount of the Distribution, subject to the Distribution Conditions being satisfied.

Subject to the Scheme having become binding and effective in accordance with its terms, through an election mechanism, Shareholders will be able to receive their entitlements under the Distribution either:

- in cash form (the *Cash Alternative*), in an amount per Scheme Share equal to 0.8847 HLFG Shares multiplied by the VWAP Price (the *Cash Alternative Amount*); or
- in scrip form (the *Scrip Alternative*), through receipt of 0.8847 HLFG Shares for every one Share held by the Shareholder, rounded down to the nearest whole number (the *Scrip Alternative Shares*), directly into a nominated qualifying brokerage account.

Each Shareholder will be entitled to irrevocably elect to receive the Cash Alternative in respect of some of his, her or its Shares, and the Scrip Alternative in respect of some of his, her or its Shares, or to receive the Cash Alternative for all of such Shares or the Scrip Alternative for all of such Shares. The Offeror has confirmed that it will elect to receive the Scrip Alternative under the Distribution in respect of all of its Shares, subject to the Scheme having become binding and effective in accordance with its terms.

Shareholders will be able to make an irrevocable election by submitting a duly completed and signed election form to Guoco during a prescribed submission window. This prescribed submission window will open immediately after the Scheme Document is despatched to Shareholders and will close upon the Scheme becoming binding and effective in accordance with its terms.

Any Shareholder that has not submitted a duly completed and signed election form by the end of the prescribed submission window detailed in the Scheme Document (or who has sold his, her or its Shares after submitting a duly completed and signed election form where the purchasing Shareholder has not submitted a new signed election form by the end of that prescribed submission window) will be deemed to have elected to receive the Cash Alternative in respect of all of its Shares. Further details of these election arrangements will be disclosed in the Scheme Document.

For those Shareholders who elect for the Cash Alternative, the Offeror will arrange for third party purchasers to purchase the relevant HLFG Shares and such third party purchasers shall not be Shareholders. The Offeror will procure the payment of the Cash Alternative Amount to the relevant Shareholders. The Offeror will bear the cost of any fees associated with such arrangements with third party purchasers. If the relevant HLFG Shares are sold for a price which is higher than the VWAP Price, any surplus cash will be retained by the Offeror for its

own benefit. If the relevant HLFG Shares are sold for a price which is lower than the VWAP Price, any shortfall in cash will be borne by the Offeror and the Offeror will procure the payment of the Cash Alternative Amount to the relevant Shareholders. Shareholders electing for the Cash Alternative are only entitled to receive an amount equal to 0.8847 multiplied by the VWAP Price per HLFG Share multiplied by the number of Shares held by such Shareholders.

The Distribution will be paid to Shareholders after the Scheme has become binding and effective in accordance with its terms and is expected to be paid on or around the date that the Scheme Consideration is paid to the Scheme Shareholders.

The Scrip Alternative Shares are fully-paid and will be distributed free from all encumbrances.

The Scheme Document, which will be despatched to Shareholders in due course, will contain further details of the Distribution, including the arrangements regarding the payment of the Distribution, the election mechanism, fractional entitlements and overseas Shareholders' entitlements, the arrangements for the Cash Alternative and the expected timetable of the Distribution.

Guoco has undertaken not to (and will procure that its subsidiaries do not), unless with the prior written consent of the Offeror, dispose of any HLFG Shares other than as part of the Distribution until the Scheme has become binding and effective or is aborted, lapses or is withdrawn in accordance with its terms.

The number of HLFG Shares for those Shareholders who opt for the Scrip Alternative will be rounded down to the nearest whole number. Fractions of HLFG Shares will not be distributed to such Shareholders but will be aggregated and disposed of by Guoco for its own benefit.

Further details of the election mechanism will be disclosed in the Scheme Document.

## **CONDITIONS OF THE DISTRIBUTION**

The Distribution will be subject to satisfaction of the following Distribution Conditions:

- the Distribution having been approved (by way of poll) by at least a majority of the votes attaching to the Shares held by the Shareholders that are voted either in person or by proxy at the Guoco SGM;
- the Distribution having been approved (by way of poll) by at least a majority of the votes attaching to the Shares held by the Independent Scheme Shareholders that are voted either in person or by proxy at the Guoco SGM;
- Guoco Assets Sdn Bhd, Guoco's wholly owned subsidiary, having distributed

291,117,141 HLFM Shares to Guoco; and

- the Scheme having become binding and effective in accordance with its terms.

**WARNING: Shareholders and/or potential investors should be aware that the implementation of the Proposal will only become effective upon all the Scheme Conditions and the Distribution Conditions being satisfied or validly waived (as applicable) and thus the Scheme may or may not become effective and the Distribution may or may not be paid. Shareholders and/or potential investors should therefore exercise caution when dealing in Shares. Persons who are in doubt as to the action they should take should consult their licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional adviser.**

## **NOTICE TO SHAREHOLDERS**

This announcement does not constitute an offer to sell or an invitation or solicitation of an offer to acquire, purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction. This announcement does not constitute a prospectus or a prospectus equivalent document. Shareholders are advised to read carefully the formal documentation in relation to the Proposal once it has been despatched.

In particular, this announcement is not an offer of securities for sale or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The Scrip Alternative Shares, which will be transferred in connection with the Scrip Alternative, have not been, and will not be, registered under the United States Securities Act of 1933, as amended or under the securities law of any state, district or other jurisdiction of the United States and no regulatory clearance in respect of the Scheme or distribution of the Scrip Alternative Shares has been, or will be, applied for in any jurisdiction other than Bermuda and Hong Kong. The Scrip Alternative Shares may not (subject to certain limited exceptions) be offered, sold, transferred or delivered, directly or indirectly, in any other jurisdiction (including without limitation, in the United States) where to do so would violate the laws of that jurisdiction or would require registration thereof in such jurisdiction. Certain Shareholders may be excluded from receiving the Scrip Alternative Shares if such Shareholders reside in any country, jurisdiction or territory outside Hong Kong (including without limitation, in the United States) where receiving the Scrip Alternative Shares would require Guoco to comply with any registration or other legal requirements. Any person resident outside Hong Kong wishing to elect to receive the Scrip Alternative Shares is responsible for fully observing and complying with the laws of the relevant country, jurisdiction or territory, including obtaining any government or other consents that may be required and observing any other formalities in such country, jurisdiction or territory.

## **NOTICE TO U.S. HOLDERS OF SHARES**

The Scheme relates to the shares of a Bermuda company and is proposed to be made by means of a scheme of arrangement provided for under the laws of Bermuda. The Scrip Alternative relates to the shares of a company listed on the Official List of Bursa Malaysia Securities Berhad. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the United States Securities Exchange Act of 1934, as amended. Accordingly, the Scheme is subject to the disclosure requirements and practices applicable in Hong Kong and Bermuda to schemes of arrangement, which differ from the disclosure and other requirements of the U.S. tender offer rules. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in Hong Kong that may not be comparable to the financial statements of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

U.S. Shareholders may encounter difficulty enforcing their rights and any claim arising out of the U.S. federal securities laws, as the Offeror and Guoco are located in a country outside 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. Shareholders 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, U.S. Shareholders may encounter difficulty compelling a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgement.

The receipt of cash pursuant to the Scheme or the Cash Alternative, and the receipt of the Scrip Alternative Shares, by Shareholders who are U.S. taxpayers may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other tax laws. Each Shareholder is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of his/her/its approval of the Scheme and acceptance of the Cash Alternative or the Scrip Alternative.

## **SHAREHOLDING STRUCTURE OF GUOCO AND VOTING**

As at the Latest Practicable Date, there were 329,051,373 Shares in issue.

As at the Latest Practicable Date, the Offeror held 236,524,930 Shares in aggregate (representing approximately 71.88% of the issued share capital of Guoco), the Concert Parties held 9,719,904 Shares in aggregate (representing approximately 2.95% of the issued share capital of Guoco) and the Independent Scheme Shareholders held 82,806,539 Shares in aggregate (representing approximately 25.17% of the issued share capital of Guoco).

All Scheme Shareholders shall be entitled to vote at the Court Meeting under Bermuda law. The Offeror is not a Scheme Shareholder and will not be entitled to vote its Shares at the Court Meeting. The Scheme Shareholders include the Concert Parties as the Shares held by such

Concert Parties will be cancelled upon the Scheme becoming binding and effective in accordance with its terms.

The votes of the Concert Parties and the Offeror cast at the Court Meeting will not be counted for the purposes of determining if the Scheme Condition (c), as set out in the section headed “Conditions of the Scheme”, has been satisfied.

All Shareholders shall be entitled to vote at the Guoco SGM under Bermuda law. However, the votes of the Concert Parties and the Offeror cast at the Guoco SGM will not be counted for the purposes of determining if the Scheme Condition (g), as set out in the section headed “Conditions of the Scheme”, has been satisfied.

The table below sets out the shareholding structure of Guoco as at the Latest Practicable Date and immediately after completion of the Proposal, assuming there is no other change in shareholding and no additional Shares are issued from the Announcement Date up to, and including, the completion of the Proposal:

Name of Shareholder	As at the Latest Practicable Date		Immediately after completion of the Proposal	
	No. of Shares held	Approx. % of issued Shares	No. of Shares held	Approx. % of issued Shares
<b>Offeror</b>	236,524,930	71.88	329,051,373	100
<b>Concert Parties</b>				
<i>Shares held subject to the Scheme:</i>				
- Mr. Kwek Leng Hai <sup>1</sup>	3,800,775	1.16	-	-
- Mr. Kwek Leng San <sup>2</sup>	209,120	0.06	-	-
- Mr. Quek Leng Chan <sup>3</sup>	1,656,325	0.50	-	-
- Mr. Quek Leng Chye <sup>4</sup>	16,822	0.01	-	-
- AFCW <sup>5</sup>	4,026,862	1.22	-	-
- Mr. Tang Hong Cheong <sup>6</sup>	10,000	0.003	-	-
<b>Aggregate number of Shares held by the Concert Parties</b>	9,719,904	2.95	-	-
<b>Aggregate number of Shares held by the Offeror and the Concert Parties</b>	246,244,834	74.83	329,051,373	100
<b>Independent Shareholders</b>	82,806,539	25.17	-	-
<b>Total:</b>	<b>329,051,373</b>	<b>100</b>	<b>329,051,373</b>	<b>100</b>

Notes:

1. Mr. Kwek Leng Hai is a director of the Offeror and, therefore, deemed to be a Concert Party. These 3,800,775 Shares held by him will form part of the Scheme Shares and will be cancelled upon the Scheme becoming binding and effective in accordance with its terms.
2. Mr. Kwek Leng San is a director of the Offeror and, therefore, deemed to be a Concert Party. These 209,120 Shares held by him will form part of the Scheme Shares and will be cancelled upon the Scheme becoming binding and effective in accordance with its terms.

3. Mr. Quek Leng Chan is a director of the Offeror and, therefore, deemed to be a Concert Party. As at the Latest Practicable Date, he held 1,056,325 Shares under his personal name and 600,000 Shares through CL which is wholly-owned by him. These 1,656,325 Shares held by Mr. Quek Leng Chan will form part of the Scheme Shares and will be cancelled upon the Scheme becoming binding and effective in accordance with its terms.
4. Mr. Quek Leng Chye is a brother of Mr. Quek Leng Chan, Mr. Kwek Leng Hai and Mr. Kwek Leng San and, therefore, deemed to be a Concert Party.
5. AFCW is an indirect subsidiary of the Offeror (through its shareholding in Guoco) and, therefore, deemed to be a Concert Party. AFCW is the trustee of the share option plan adopted by Guoco on 16 December 2002 and currently holds 4,026,862 Shares. AFCW has undertaken to Guoco not to exercise its voting rights in respect of any Shares held under the trust unless otherwise instructed by Guoco. These 4,026,862 Shares held by AFCW will form part of the Scheme Shares and will be cancelled upon the Scheme becoming binding and effective in accordance with its terms.
6. Mr. Tang Hong Cheong is a director of HLH and, therefore, deemed to be a Concert Party. He has an option in respect of 120,000 Shares. Mr. Tang Hong Cheong's holding of 10,000 Shares, together with his option in respect of 120,000 Shares, represents approximately 0.04% of the issued share capital of Guoco.

As at the Announcement Date, GCL, a wholly-owned indirect subsidiary of Hong Leong 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, as at the Announcement Date, GIL, a wholly-owned indirect subsidiary of Hong Leong, holds unlisted cash settled derivatives in respect of 3,074,000 underlying Shares (representing approximately 0.93% of the issued share capital of Guoco). The unlisted cash settled derivatives held by GCL and GIL are not securities which are convertible into or exchangeable for Shares, nor are they issued or sponsored by Guoco. The counterparties to such unlisted cash settled derivatives are financial institutions.

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 Announcement Date and the Offeror and the Concert Parties have not dealt in Shares during the period beginning six months prior to the Announcement Date.

As at the Latest Practicable Date, the relevant securities of Guoco in issue comprised the Shares and Guoco did not have any outstanding options, warrants, derivatives or other convertible securities which are convertible or exchangeable into Shares.

As at the Announcement Date, there are 329,051,373 Shares in issue. As at the Announcement Date, 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).

## **IRREVOCABLE UNDERTAKINGS**

On 29 June 2018, the Offeror received Irrevocable Undertakings from the Committed Shareholders, pursuant to which each of the Committed Shareholders has undertaken to, among other things, vote (or procure votes) to approve the Proposal at the Court Meeting and the

Guoco SGM in respect of the Committed Shares they respectively hold (which in aggregate represent approximately 9.72% of the current issued share capital of Guoco).

The Irrevocable Undertakings will be terminated and the obligations of each of the Committed Shareholders under their respective Irrevocable Undertakings shall lapse and terminate if: (i) the Offeror announces, in compliance with the Takeovers Code and before the Scheme Document is posted, that it does not intend to proceed with the Proposal; (ii) if the Proposal is not approved at the Guoco SGM or the Court Meeting; (iii) if the Proposal is aborted, lapses or is withdrawn in accordance with its terms; or (iv) if the Proposal is not announced by Guoco as having become unconditionally effective by 31 January 2019 (or such other date as the Offeror, Guoco and the Committed Shareholders may agree in writing).

## **REASONS AND BENEFITS OF THE PROPOSAL**

The proposed privatisation of Guoco, if successful, 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.

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 the Shares. Moreover, it will allow Guoco to solely focus its resources on business operations.

The Offeror Board is of the view that the terms of the Proposal are attractive to the Scheme Shareholders and that the Proposal is beneficial to the Scheme Shareholders in the following ways:

- (a) **the Proposal represents an attractive opportunity to realise value at a substantial premium.** During the 90 consecutive trading days up to and including the Last Trading Day, the Shares traded within the closing price range of HK\$103.00 to HK\$121.30 per Share. The Total Price represents a premium of approximately 24.0% over the volume weighted average closing price of HK\$108.88 per Share over the same period. Please refer to the section headed “Terms of the Proposal” of this announcement for more details;
- (b) **the Proposal provides an opportunity for the Scheme Shareholders to realise their Shares in return for cash.** During the 90 consecutive trading days up to and including the Last Trading Day, the daily average trading volume of the Shares was 30,266 Shares, or approximately 0.01% of the number of total issued Shares as at the Latest Practicable Date. Given that the Shares are generally thinly traded, there is limited opportunity for the Scheme Shareholders to divest their investment in Guoco. The Proposal represents an option to the Scheme Shareholders to exit from their investment in Guoco;

- (c) **an alternative general offer for the Shares is unlikely.** Given that the Offeror holds approximately 71.88% of the issued share capital of Guoco and that the Offeror has indicated that it holds such Shares as a long-term investment, it is unlikely that there will be any general offers at a premium by third parties for the Shares held by the Scheme Shareholders; and
- (d) **the Proposal provides an opportunity for Shareholders to retain their exposure to HLFG.** The successful completion of the Scheme, in the absence of the Distribution, would lead to an increase in the Offeror's ownership in HLFG, which would be subject to a regulatory approval. The Distribution will therefore simplify the transaction structure and provide Shareholders with an opportunity to retain their exposure in HLFG and to benefit directly from the investment value of HLFG after completion of the Proposal.

## **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 approximately 49.11% in Hong Leong through various holding companies. The remaining approximately 50.89% of Hong Leong (except for a small holding of not more than 1% held by a non-family member) is owned directly or indirectly by other members of the Quek and Kwek families. 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.

## **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 and investment activities are principally located in Hong Kong, China, Singapore, Malaysia, Vietnam and the United Kingdom. Guoco has four core businesses, namely: (i) principal investments; (ii) property development and investment; (iii) hospitality and leisure business; and (iv) financial services.

## **INFORMATION ON HLFG**

HLFG is an investment holding company. HLFG was admitted to, and remains listed on, the Official List of Bursa Malaysia Securities Berhad on 27 November 1969. HLFG group is a diversified financial services group whose businesses provide a broad range of financial products and services to consumer, corporate and institutional customers. The principal activities of the significant subsidiaries consist of commercial banking business, Islamic

banking services, insurance and takaful business, investment banking, futures and stockbroking and asset management business.

## **OFFEROR'S INTENTION REGARDING GUOCO**

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 Proposal. Nevertheless, the Offeror will continue to monitor all business opportunities as they arise from time to time.

## **WITHDRAWAL OF LISTING OF THE SHARES ON THE STOCK EXCHANGE**

Upon completion of the Scheme, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. Guoco will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange as soon as practicable after the effective date of the Scheme. The Shareholders will be notified by way of a press announcement of the exact dates of the last day of dealing in Shares and on which the Scheme and the withdrawal of the listing of the Shares will become effective. A detailed expected timetable will be set out in the Scheme Document, which will also contain, among other things, further details of the Scheme and the Distribution.

The Guoco Board intends that the listing of the Shares on the Stock Exchange shall be maintained in the event that the Scheme does not become effective.

## **OVERSEAS SCHEME SHAREHOLDERS**

The making of the Proposal and the approval of the Proposal, including an election to receive the Scrip Alternative, by Scheme Shareholders who are not residents in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders are located. Such Scheme Shareholders should inform themselves about, and observe, any applicable legal or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal, including an election to receive the Scrip Alternative, 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 taxes, duties and other amounts required to be paid in such jurisdictions. Any action taken by such Scheme Shareholders in relation to the Proposal, including an election to receive the Scrip Alternative, will be deemed to constitute a representation and warranty from such persons to Guoco and the Offeror that those local laws and requirements have been complied with. If the Scheme Shareholders are in doubt as to their position, they should consult their professional advisers.

## DISCLOSURE OF DEALINGS

Respective associates (as defined under the Takeovers Code) of Guoco or the Offeror (which include persons holding 5% or more of any class of relevant securities of each of the foregoing) are reminded to disclose their dealings in the relevant securities of Guoco. 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 HK\$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 co-operation.”*

## GENERAL

### ***Guoco IBC***

The Guoco Board comprises seven directors, two of whom (namely, Mr. Kwek Leng Hai and Mr. Tang Hong Cheong) are executive directors, two of whom (namely, Mr. Kwek Leng San and Mr. Tan Lim Heng) are non-executive directors and the remaining three of whom (namely, Mr. Volker Stoeckel, Mr. Roderic N. A. Sage and Mr. David Michael Norman) are independent non-executive directors.

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

As Mr. Kwek Leng San is a non-executive Guoco Director and a director of the Offeror and he also holds Shares, he is regarded as being interested in the Proposal and does not form part of the Guoco IBC. As Mr. Tan Lim Heng is a non-executive Guoco Director and a non-executive director of Lam Soon (Hong Kong) Limited, an associate of the Offeror, he is regarded as being

interested in the Proposal and does not form part of the Guoco IBC.

The following persons are considered to be interested in the Proposal and have, therefore, not participated in any vote of the Guoco Board in relation to the Proposal:

- (a) Mr. Kwek Leng Hai and Mr. Kwek Leng San, by virtue of being directors of the Offeror; and
- (b) Mr. Tan Lim Heng and Mr. Tang Hong Cheong, by virtue of being directors of an associate of the Offeror.

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

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

Other than the Distribution, Guoco does not intend to declare or pay any dividend or any distribution on the Shares from the Announcement Date until the Scheme has become binding and effective or is aborted, lapses or is withdrawn in accordance with its terms.

#### ***Despatch of Scheme Document***

Guoco will send to the Shareholders as soon as practicable in accordance with the Takeovers Code a Scheme Document containing, among other things, further details about the Scheme, the Distribution and the Cash Alternative, recommendations from the Guoco IBC, a letter of advice from the independent financial adviser to the Guoco IBC and a notice of the Court Meeting and the Guoco SGM.

#### ***Further agreements or arrangements***

As at the Latest Practicable Date:

- (a) there were 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 Proposal;
- (b) save as disclosed in the sections headed “Conditions of the Scheme” or “Conditions of the Distribution” of this announcement, there were 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 Proposal;
- (c) save as disclosed in the section headed “Shareholding Structure of Guoco and

Voting” of this announcement, none of the Offeror nor any of the Concert Parties had borrowed or lent any Shares;

- (d) save as disclosed in the section headed “Shareholding Structure of Guoco and Voting” of this announcement, the Offeror and the Concert Parties did not own, control or have direction over any Shares; and
- (e) other than the Committed Shareholders, no irrevocable commitment to vote for or against the Scheme at the Court Meeting or the Guoco SGM had been received by the Offeror or any of the Concert Parties.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“ <b>acting in concert</b> ”	has the meaning ascribed to it under the Takeovers Code, and “persons acting in concert” shall be construed accordingly
“ <b>AFCW</b> ”	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
“ <b>Announcement Date</b> ”	29 June 2018, being the date of this announcement
“ <b>associate(s)</b> ”	has the meaning ascribed to it under the Takeovers Code
“ <b>Authorisations</b> ”	all necessary authorisations, registrations, filings, rulings, consents, permissions and approvals in connection with the Proposal
“ <b>Cash Alternative</b> ”	the election alternative under the Distribution which allows Shareholders to receive their entitlements under the Distribution in cash form, as described in the “The Distribution” section of this announcement
“ <b>Cash Alternative Amount</b> ”	the cash amount per Share equal to 0.8847 HLFG Shares multiplied by the VWAP Price
“ <b>CL</b> ”	Chaghese Limited, a company incorporated in Cayman Islands with limited liability and a company wholly-owned by Mr. Quek Leng Chan
“ <b>Committed Shareholders</b> ”	Elliott International, L.P. and The Liverpool Limited Partnership
“ <b>Committed Shares</b> ”	Shares held by the Committed Shareholders
“ <b>Companies Act</b> ”	the Companies Act 1981 of Bermuda
“ <b>Concert Party(ies)</b> ”	persons acting in concert with the Offeror, including AFCW, Mr. Quek Leng Chan, Mr. Kwek Leng Hai, Mr. Kwek Leng San, Mr. Quek Leng Chye and Mr. Tang Hong Cheong
“ <b>Court</b> ”	the Supreme Court of Bermuda
“ <b>Court Meeting</b> ”	a meeting of the Scheme Shareholders to be convened at the direction of the Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“ <b>Distribution</b> ”	has the meaning given to that term in the “Introduction” section of this announcement

<b>“Distribution Conditions”</b>	the conditions of the Distribution, as set out above in this announcement under the section headed “Conditions of the Distribution”
<b>“Distribution Exchange Rate”</b>	the buying rate of HK\$ from RM as announced by the Hong Kong Association of Banks ( <a href="http://www.hkab.org.hk">www.hkab.org.hk</a> ) at 9:00 a.m. (Hong Kong time) on the final date of the VWAP Period
<b>“Evercore”</b>	Evercore Asia Limited, a licensed corporation to conduct Type 1 ( <i>Dealing in securities</i> ) and Type 6 ( <i>Advising on corporate finance</i> ) regulated activities under the SFO and joint financial adviser to the Offeror
<b>“Executive”</b>	the Executive Director of the Corporate Finance Division of the SFC or any delegate for the time being of the Executive Director
<b>“GCAL” or “Parent”</b>	GuoLine Capital Assets Limited, the parent of the Offeror, a company incorporated in Jersey, Channel Islands with limited liability
<b>“GCL”</b>	GuoLine Capital Limited, a fellow subsidiary of Parent, a company incorporated in Bermuda with limited liability
<b>“GIL”</b>	GuoLine International Limited, a fellow subsidiary of Parent, a company incorporated in Bermuda with limited liability
<b>“Guoco”</b>	Guoco Group Limited, a company incorporated in Bermuda with limited liability, whose shares are currently listed on the Stock Exchange
<b>“Guoco Board”</b>	the board of directors of Guoco from time to time
<b>“Guoco Director(s)”</b>	director(s) of Guoco from time to time
<b>“Guoco Group”</b>	Guoco and its subsidiaries from time to time
<b>“Guoco IBC”</b>	the independent committee of the Guoco Board established pursuant to Rule 2.1 of the Takeovers Code to advise the Scheme Shareholders in relation to the Proposal, the composition of which is set out in the section headed “General – Guoco IBC” above
<b>“Guoco SGM”</b>	a special general meeting of the Shareholders to be convened for the purposes of passing all necessary resolutions for the implementation of the Scheme and the approval of the Distribution
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong

<b>“HLFG”</b>	Hong Leong Financial Group Berhad, a company incorporated in Malaysia with limited liability, whose shares are currently listed on the Official List of Bursa Malaysia Securities Berhad
<b>“HLFG Share(s)”</b>	ordinary share(s) in the issued share capital of HLFG
<b>“HLH”</b>	HL Holdings Sdn Bhd, an associated company of an associated company of the Offeror, a company incorporated in Malaysia with limited liability
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Hong Leong”</b>	Hong Leong Company (Malaysia) Berhad, a company incorporated in Malaysia with limited liability
<b>“Hong Leong Board”</b>	the board of directors of Hong Leong from time to time
<b>“Hong Leong Directors”</b>	the directors of Hong Leong from time to time
<b>“Independent Scheme Shareholders”</b>	all Shareholders, other than the Offeror and the Concert Parties
<b>“Irrevocable Undertakings”</b>	the irrevocable undertaking given by each of the Committed Shareholders, each dated 29 June 2018, in respect of the Committed Shares in favour of the Offeror as mentioned in the section headed “Irrevocable Undertakings”
<b>“Last Trading Day”</b>	29 June 2018, being the last full trading day prior to the publication of this announcement
<b>“Latest Practicable Date”</b>	29 June 2018, being the last practicable date for ascertaining certain information contained in this announcement
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“Long Stop Date”</b>	the date expected to be no later than 90 days after the date to be scheduled for the Court Meeting and the Guoco SGM or such later date as may be proposed by the Offeror and permitted by the Executive
<b>“Offeror”</b>	GuoLine Overseas Limited, a company incorporated in Bermuda with limited liability and a wholly-owned indirect subsidiary of Hong Leong
<b>“Offeror Board”</b>	the board of directors of the Offeror from time to time
<b>“Offeror Director(s)”</b>	director(s) of the Offeror from time to time

<b>“Offeror Group”</b>	the Offeror and its subsidiaries from time to time
<b>“Platinum”</b>	Platinum Securities Company Limited, a licensed corporation to conduct Type 1 ( <i>Dealing in securities</i> ) and Type 6 ( <i>Advising on corporate finance</i> ) regulated activities under the SFO and joint financial adviser to the Offeror
<b>“Proposal”</b>	the proposal to privatise Guoco, comprising both the Scheme and the Distribution, as set out in this announcement
<b>“Record Date”</b>	record date for determining entitlements under the Proposal
<b>“Relevant Authorities”</b>	appropriate governments and/or governmental bodies, regulatory bodies, stock exchanges, courts or institutions, including but not limited to the Court and the Registrar of Companies in Bermuda
<b>“RM”</b>	Malaysian Ringgit, the lawful currency of Malaysia
<b>“Scheme”</b>	has the meaning given to that term in the “Introduction” section of this announcement
<b>“Scheme Conditions”</b>	the conditions of the Scheme, as set out above in this announcement under the section headed “Conditions of the Scheme”
<b>“Scheme Consideration”</b>	the cash amount per Scheme Share which Scheme Shareholders will receive for the cancellation of their Scheme Shares under the Scheme, which is equal to the Total Price less the Cash Alternative Amount
<b>“Scheme Document”</b>	the composite document to be despatched to the Shareholders containing details of the Scheme and the Distribution
<b>“Scheme Share(s)”</b>	Share(s) in issue on the Record Date other than those held by the Offeror
<b>“Scheme Shareholder(s)”</b>	registered holders of the Scheme Shares
<b>“Scrip Alternative”</b>	the election alternative under the Distribution which allows Shareholders to receive their entitlements under the Distribution in scrip form, as described in the “The Distribution” section of this announcement
<b>“Scrip Alternative Shares”</b>	0.8847 HLFGB Shares for every one Share, rounded down to the nearest whole number
<b>“SFC”</b>	the Securities and Futures Commission
<b>“SFO”</b>	the Securities and Futures Ordinance (Cap. 571)

“ <b>Share(s)</b> ”	ordinary share(s) of US\$0.50 each in the issued share capital of Guoco
“ <b>Shareholder(s)</b> ”	holder(s) of Share(s)
“ <b>Stock Exchange</b> ”	The Stock Exchange of Hong Kong Limited
“ <b>subsidiary</b> ”	has the meaning ascribed to it under the Listing Rules
“ <b>Takeovers Code</b> ”	the Hong Kong Code on Takeovers and Mergers
“ <b>Total Price</b> ”	HK\$135 per Scheme Share (being the Scheme Consideration plus the Cash Alternative Amount)
“ <b>United States</b> ” or “ <b>U.S.</b> ”	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
“ <b>VWAP Period</b> ”	means the 14 trading day period ending on the date that is 16 days (or, if such date is not a trading day on Bursa Malaysia Securities Berhad, the first day preceding such date which is a trading day on Bursa Malaysia Securities Berhad) prior to the Court Meeting
“ <b>VWAP Price</b> ”	the volume weighted average closing price of the HLFG Shares throughout the VWAP Period, converted to HK\$ using the Distribution Exchange Rate
“ <b>%</b> ”	per cent. or percentage

By order of the board  
**GuoLine Overseas Limited**  
**Soon Seong Keat**  
*Authorised Representative*

By order of the board  
**Guoco Group Limited**  
**Tang Hong Cheong**  
*President and CEO*

Hong Kong, 29 June 2018

*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 Announcement Date, the Offeror Board comprises: Mr. Quek Leng Chan; Mr. Kwek Leng San; Mr. Kwek Leng Beng; and Mr. Kwek Leng Hai and the Hong Leong Board 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 and the Concert Parties) 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 and the Concert Parties) 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 Announcement Date, the Guoco Board comprises: Mr. Kwek Leng Hai as Executive Chairman; Mr. Tang Hong Cheong as President and CEO; Mr. Kwek Leng San and Mr. Tan Lim Heng as non-executive Directors; and Mr. Volker Stoeckel, Mr. Roderic N. A. Sage and Mr. David Michael Norman as independent non-executive Directors.*