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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**

**ANNOUNCEMENT OF THE SCHEME CONSIDERATION AND
THE CASH ALTERNATIVE AMOUNT**

EVERCORE

and



PLATINUM
Securities

Evercore Asia Limited

Platinum Securities Company Limited

Joint Financial Advisers to GuoLine Overseas Limited



SOMERLEY CAPITAL LIMITED

Somerley Capital Limited

Independent Financial Adviser to the Independent Board Committee

INTRODUCTION

Reference is made to the composite scheme document jointly issued by Guoco Group Limited (“**Guoco**”) and GuoLine Overseas Limited (the “**Offeror**”) dated 10 October 2018 in relation to, among other things, the Proposal, the Scheme and the Distribution (the “**Scheme Document**”).

Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Scheme Document.

CASH ALTERNATIVE AND SCRIP ALTERNATIVE

Under the Proposal, subject to the Scheme and the Distribution being approved and having become binding and effective in accordance with their respective terms, the Scheme Shareholders will be able to receive the Scheme Consideration together with their entitlements under the Distribution. Each Shareholder, other than a Non-Qualifying Shareholder, can irrevocably elect whether to receive its entitlements under the Distribution either in:

- (a) cash form (*the Cash Alternative*); and/or
- (b) scrip form (*the Scrip Alternative*).

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

- (a) a cash amount per Scheme Share equal to the Scheme Consideration (under the Scheme) to be paid by the Offeror; and
- (b) the Cash Alternative Amount (under the Distribution) to be arranged by the Offeror (i.e. the amount per Share equal to 0.8847 HLFG Share multiplied by the VWAP Price).

Those Scheme Shareholders, other than the Non-Qualifying Shareholders, validly electing to receive the Scrip Alternative for all of their Shares will be entitled to receive:

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

The actual Scheme Consideration and the actual Cash Alternative Amount have been determined based on the actual VWAP Price per HLFG Share at the end of the VWAP Period.

ACTUAL VWAP PRICE

The Guoco Board and the Offeror Board jointly announce that the VWAP Period ended on 16 October 2018 and the actual VWAP Price per HLFG Share is HK\$35.61 (based on the last 14 Malaysian Trading Days ended on 16 October 2018 at the Distribution Exchange Rate as at 9:00 a.m. on 16 October 2018).

ACTUAL SCHEME CONSIDERATION AND ACTUAL CASH ALTERNATIVE AMOUNT

Based on the actual VWAP Price per HLFG Share of HK\$35.61,

- (a) the actual Scheme Consideration is HK\$103.50 per Scheme Share (being the Total Price less 0.8847 multiplied by the actual VWAP Price per HLFG Share); and**
- (b) the actual Cash Alternative Amount is HK\$31.50 per Scheme Share (i.e. 0.8847 multiplied by the actual VWAP Price per HLFG Share).**

EXAMPLE FOR ILLUSTRATIVE PURPOSES

The following example illustrates how the Scheme Shareholders will receive their entitlements under the Proposal. This assumes that the relevant Scheme Shareholder holds 1,000 Scheme Shares, entitling such Scheme Shareholder to 884.7 HLFG Shares (which will be rounded down to the nearest whole number, so that such Scheme Shareholder would be entitled to 884 HLFG Shares) under the Scrip Alternative:

(a) If the Scheme Shareholder elects for the Cash Alternative

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

- (i) the actual Scheme Consideration in the amount of HK\$103.50 (being the Total Price less 0.8847 multiplied by the actual VWAP Price per HLFG Share), to be paid by the Offeror under the Scheme; and**
- (ii) the actual Cash Alternative Amount in the amount of HK\$31.50 (i.e. 0.8847 multiplied by the actual VWAP Price per HLFG Share), to be arranged by the Offeror.**

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

- (a) an aggregate cash amount of HK\$103,495.81 as the aggregate actual Scheme Consideration under the Scheme; and**
- (b) an aggregate actual Cash Alternative Amount of HK\$31,504.19 being 884.7 HLFG Shares multiplied by the actual VWAP Price per HLFG Share under the Distribution.**

(b) If the Scheme Shareholder elects for the Scrip Alternative

A Scheme Shareholder, other than a Non-Qualifying Shareholder, validly electing for the Scrip Alternative would be entitled to receive an entitlement per Scheme Share, comprised as follows:

- (i) the actual Scheme Consideration in the amount of HK\$103.50 (being the Total Price less 0.8847 multiplied by the actual VWAP Price per HLFG Share), to be paid by the Offeror under the Scheme; and**

- (ii) the Scrip Alternative Shares (i.e. 0.8847 HLFG Share for every one Share, rounded down to the nearest whole number).

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

- (a) an aggregate cash amount of HK\$103,495.81 as the aggregate actual Scheme Consideration under the Scheme; and
- (b) 884 HLFG Shares (rounded down to the nearest whole number) as the aggregate Scrip Alternative Shares under the Distribution.

The market value of the 884 HLFG Shares received as the aggregate Scrip Alternative Shares under the Distribution in the above example will fluctuate depending on the market value of the HLFG Shares from time to time. The price per HLFG Share was RM19.00 as at close of business on 16 October 2018, equivalent to HK\$35.25 per HLFG Share at the Distribution Exchange Rate (as at 9:00 a.m. on 16 October 2018). On that basis, the market value based on the closing price on 16 October 2018 of the 884 HLFG Shares received as the aggregate Scrip Alternative Shares under the Distribution in the above example would be HK\$31,160.78 in aggregate (or HK\$31.16 per Scheme Share).

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

In the Scheme Document:

- (a) Somerley has advised the Independent Board Committee that it considers the terms of the Proposal to be fair and reasonable as far as the Scheme Shareholders are concerned, and accordingly, it advises the Independent Board Committee to recommend the Scheme Shareholders to vote in favour of the relevant resolutions to be proposed at the Court Meeting and the Guoco SGM to approve and implement the Proposal; and
- (b) the Independent Board Committee, having been so advised, considers that as far as the Scheme Shareholders are concerned, the terms of the Proposal are fair and reasonable, and accordingly, the Independent Board Committee recommends the Scheme Shareholders to vote:
 - (i) at the Court Meeting, in favour of the Scheme; and
 - (ii) at the Guoco SGM, to approve the cancellation of the Scheme Shares, the simultaneous issue to the Offeror of the same number of Shares, credited as fully paid, as the Scheme Shares cancelled and the Distribution.

Somerley has confirmed that there is no change to its recommendations above following the determination of the actual Scheme Consideration and the actual Cash Alternative Amount. The Independent Board Committee, having been so advised, has confirmed that there is no change to its recommendations above following the determination of the actual Scheme Consideration and the actual Cash Alternative Amount.

The Scheme Shareholders are urged to read and consider carefully the recommendations of the Independent Board Committee set out in the letter from the Independent Board Committee and the advice of Somerley set out in the letter from Somerley, both contained in the Scheme Document.

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 (if 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 the 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.

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

By order of the board
Guoco Group Limited
Ms. Lo Sze Man, Stella
Company Secretary

Hong Kong, 16 October 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 date of this announcement, 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 date of this announcement, 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.