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Renewal of Continuing Connected Transactions – Banking Transactions

This announcement is to comply with the disclosure requirements under the Listing Rules on continuing connected transactions to allow the Guoco Group to continue to enter into the Banking Transactions with Hong Leong Financial Institutions during the three financial years ending 30 June 2015.

Since the applicable percentage ratios under the Listing Rules of the New Cap exceed 0.1% but are less than 5%, the Banking Transactions are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Guoco will also comply with Rules 14A.37 to 14A.41 of the Listing Rules in relation to annual review of the Banking Transactions. Details of the Banking Transactions will be included in Guoco's relevant published annual report and accounts in compliance with Rules 14A.45 and 14A.46 of the Listing Rules.

BANKING TRANSACTIONS

Reference is made to the announcements of Guoco dated 11 October 2006 and 24 June 2009 on continuing connected transactions relating to banking transactions. For the purpose of this announcement, Banking Transactions include:

- (a) placing of deposits by the Group with Hong Leong Financial Institutions; and
- (b) purchase of and/or subscription for debt securities issued by Hong Leong Financial Institutions by the Group.

The maximum outstanding balance of deposits placed with, together with the outstanding principal amount in respect of the debt securities held by the Group issued by, Hong Leong Financial Institutions has been subject to a maximum of US\$70 million (approximately HK\$543 million) for the three years ending 30 June 2012 and such maximum amount will expire after 30 June 2012.

This announcement is to comply with the disclosure requirements under the Listing Rules on continuing connected transactions to allow the Group to continue to enter into the Banking Transactions during the three financial years commencing 1 July 2012 and ending 30 June 2015.

MAXIMUM AGGREGATE AMOUNT

For the purpose of Rule 14A.35(2) of the Listing Rules, the Relevant Aggregate Amount shall be subject to a new maximum of US\$120 million (approximately HK\$931 million) or its equivalent in other currencies (the "New Cap") at any time during the three financial years ending 30 June 2015.

The basis of the New Cap is determined after taking into account the following:

- (i) the anticipated increase of cashflow of the Group as a result of the continued growth and expansion of the Group's core businesses in the embedded markets, which will increase the demand of banking / financial services including placing of deposits with financial institutions (including Hong Leong Financial Institutions); and
- (ii) the potential increase in deposit level with HLB and investments in debt securities issued by HLB under the Group's treasury activities in view of HLB's further business expansion and enhanced product / service offerings envisaged following the acquisition of EON Bank in 2011.

In the event that the Relevant Aggregate Amount would exceed the New Cap at any time during the three years ending 30 June 2015, Guoco will re-comply with Rule 14A.36 as appropriate.

REASONS FOR THE BANKING TRANSACTIONS

Being part of its treasury operations, the Group from time to time places deposits with many financial institutions worldwide and purchases and/or subscribes for fixed income and debt securities of financial institutions and other corporations. The Banking Transactions are part of the treasury activities of the Group and are conducted in the ordinary and usual course of business. The Group wishes to have the flexibility to enter into the Banking Transactions with Hong Leong Financial Institutions in a manner similar to comparable transactions which it enters into with unconnected financial institutions.

The directors of Guoco (including the independent non-executive directors) are of the opinion that the Banking Transactions are, and will be, conducted on an arm's length basis and on normal commercial terms. The directors (including the independent non-executive directors) believe that the Banking Transactions are fair and reasonable and in the interests of the Group and the shareholders of Guoco as a whole.

LISTING RULES IMPLICATIONS

Hong Leong Financial Institutions are associates of connected persons (as defined under the Listing Rules) of Guoco by virtue of the fact that they are indirect subsidiaries of HLCM, an indirect controlling shareholder of Guoco. Mr. Quek Leng Chan, the Executive Chairman of Guoco, is deemed a controlling shareholder of Guoco and HLCM. The Banking Transactions constitute continuing connected transactions for Guoco under the Listing Rules.

Since the applicable percentage ratios under the Listing Rules of the New Cap exceed 0.1% but are less than 5%, the Banking Transactions are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Guoco will also comply with Rules 14A.37 to 14A.41 of the Listing Rules in relation to annual review of the Banking Transactions. Details of the Banking Transactions will be included in Guoco's relevant published annual report and accounts in compliance with Rules 14A.45 and 14A.46 of the Listing Rules.

GENERAL

Guoco is an investment holding and management company and the principal activities of its subsidiaries and associated companies encompass principal investments, property development and investment, hospitality and leisure business, stock and commodity broking, investment advisory, banking and financing, insurance, fund management as well as merchant banking.

HLB is a financial institution licensed to carry on banking business in Malaysia, Singapore and Hong Kong and is regulated by Bank Negara Malaysia, the Monetary Authority of Singapore and Hong Kong Monetary Authority in the respective jurisdictions. HLIB is a financial institution licensed to carry on Islamic banking in Malaysia and is regulated by Bank Negara Malaysia. HLBV is a financial institution licensed to carry on banking business in Vietnam and is regulated by the State Bank of Vietnam.

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 and CEO; Mr. Tan Lim Heng as executive director; Mr. Kwek Leng San as non-executive director and Mr. Sat Pal Khattar, Mr. Volker Stoeckel and Mr. Roderic N. A. Sage as independent non-executive directors.

(For reference only, the exchange rate of US\$:HK\$ as referred to in this announcement is US\$1.00:HK\$7.75585 as at the date of this announcement.)

DEFINITIONS

"Banking Transactions"	banking transactions as described under (a) and (b) in this announcement
"Guoco"	Guoco Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"Group"	Guoco and its subsidiaries from time to time

“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region, the People’s Republic of China
“HLB”	Hong Leong Bank Berhad, an indirect subsidiary of HLCM and an associated company of Guoco, incorporated in Malaysia and listed on Bursa Malaysia Securities Berhad
“HLBV”	Hong Leong Bank Vietnam Limited, a wholly owned subsidiary of HLB incorporated in Vietnam
“HLCM”	Hong Leong Company (Malaysia) Berhad, a substantial shareholder of Guoco
“HLIB”	Hong Leong Islamic Bank Berhad, a wholly owned subsidiary of HLB incorporated in Malaysia
“Hong Leong Financial Institutions”	authorised financial institutions within Hong Leong Group from time to time, currently including HLB, HLIB, HLBV and MIMB
“Hong Leong Group”	HLCM and its subsidiaries from time to time (excluding the Group)
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MIMB”	MIMB Investment Bank Berhad, an indirect subsidiary of HLCM incorporated in Malaysia
“Relevant Aggregate Amount”	The maximum outstanding balance of Banking Transactions from time to time.
“US\$”	United States dollars, the lawful currency of the United States of America

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 29 June 2012