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

Continuing Connected Transactions Lease Framework Agreement

Guoco Group has been entering into lease, tenancy or licence transactions in respect of the Properties with the Hong Leong Group in the ordinary course of business. On 30 June 2026, the Company and HLCM entered into the Lease Framework Agreement which sets out the framework terms governing the Leasing Transactions between the Guoco Group (as lessor) and the Hong Leong Group (as lessee) during a term of three years commencing from 1 July 2026 and ending on 30 June 2029 (both dates inclusive).

Mr. QUEK Leng Chan, being a controlling shareholder of HLCM, is a substantial shareholder of the Company. Members of the Hong Leong Group are regarded as associates of a connected person of the Company as defined under Chapter 14A of the Listing Rules. The transactions contemplated under the Lease Framework Agreement constitute continuing connected transactions for the Company under the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the annual caps exceed 0.1% but are less than 5%, the Lease Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, annual review and other disclosure requirements but are exempted from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

LEASE FRAMEWORK AGREEMENT

Guoco Group has been entering into lease, tenancy or licence transactions in respect of the Properties with the Hong Leong Group in the ordinary course of business. Such Leasing Transactions constitute continuing connected transactions of the Company, the aggregate rent of which was de minimis.

As the Total Rent payable by the Hong Leong Group to the Guoco Group under such Leasing Transactions is expected to increase, the Company and HLCM entered into the Lease Framework Agreement on 30 June 2026 which sets out the framework terms governing the leasing of Properties by the Guoco Group (as lessor) to the Hong Leong Group (as lessee) during a term of three years commencing from 1 July 2026 and ending on 30 June 2029 (both dates inclusive).

Major Terms of the Lease Framework Agreement

- Signing Date : 30 June 2026
- Parties : 1. the Company; and
2. HLCM
- Term : A term of three years commencing on 1 July 2026 and ending on 30 June 2029 (both dates inclusive).
- Subject Matter : During the term of the Lease Framework Agreement, it is agreed that:
1. The Company and HLCM have entered or may enter into, or procure members of the Guoco Group (as lessor) and members of the Hong Leong Group (as lessee) respectively to enter into, the Leasing Transactions in relation to the Properties in the ordinary and usual course of their respective businesses; and
 2. The relevant members of the Guoco Group and the Hong Leong Group shall enter into separate lease, tenancy or licence agreements with respect to the Leasing Transactions, which set out the particular terms and conditions of the Leasing Transactions.
- The terms of, and consideration (including rental, lease payment, licence fee, and management/service fee) payable under, any definitive leasing agreement shall be determined in the ordinary course of business, on normal commercial terms, negotiated on a case-by-case and arm's length basis in accordance with prevailing market conditions and shall be no more favourable than those offered to independent third parties by the Guoco Group.
- Pricing Basis : The rental, lease payment or licence fee chargeable shall be based on the then prevailing market rental rates for properties of similar size and with similar attributes within the same building charged by members of the Guoco Group or, if not available, the then prevailing rental rates, lease payment or licence fee rates for properties of similar size and with similar attributes in the vicinity of the subject premises to be leased, let or licensed by members of the Guoco Group. The basis of the management/service fees chargeable by members of the Guoco Group to the relevant members of the Hong Leong Group shall be the same as those members of the Guoco Group charge other tenants or licensees of the same building or property (which may take into account relevant commercial factors, including lease tenure, tenant profile, size of premises, and overall commercial arrangement between the Guoco Group and the Hong Leong Group).

ANNUAL CAPS

The Total Rent receivable by the Guoco Group from the Hong Leong Group under the Lease Framework Agreement for the relevant financial year shall not exceed the following annual caps:

	<u>Annual Caps</u>
For the financial year ending 30 June 2027	HK\$40 million
For the financial year ending 30 June 2028	HK\$59 million
For the financial year ending 30 June 2029	HK\$79 million

The basis of the annual caps is determined with reference to, amongst others, (i) the current amount received/receivable by the Guoco Group in respect of the Leasing Transactions; (ii) the expected renewals of existing leases, tenancies and licences; (iii) the projected growth in office rental rates in the relevant markets; and (iv) the potential new Leasing Transactions that the Guoco Group may enter into with the Hong Leong Group, to allow flexibility of rental increment and addition of new transactions in the future three years.

HISTORICAL TRANSACTION AMOUNTS

The historical transaction amounts in respect of the Total Rent received/receivable by the Guoco Group from the Hong Leong Group under the Leasing Transactions for the following years/ period are as follows:

	<u>Amounts</u>
For the financial year ended 30 June 2024	HK\$18.3 million
For the financial year ended 30 June 2025	HK\$18.6 million
For the period from 1 July 2025 to 31 May 2026	HK\$20.8 million

INTERNAL CONTROL MEASURES

The Company has established the following internal control procedures to ensure that the Leasing Transactions are entered into in accordance with the terms and conditions under the Lease Framework Agreement and the relevant annual caps are not exceeded:

- (a) Department heads of the relevant Guoco Group companies evaluate and justify each Lease Transaction, and to confirm benchmarking have been made against prevailing market rental rates for comparable properties and independent third-party quotations, where practicable, to ensure the terms are fair and reasonable and in the commercial interest of the Guoco Group. Prior clearance from the relevant finance teams is required before entering into any Lease Transaction to monitor aggregation thresholds;
- (b) An internal alert threshold is set at 80% of the applicable annual cap to provide early warning and allow time for compliance action;
- (c) Details of the Leasing Transactions are included in the connected transactions report which are reviewed by the internal audit department of the Company and tabled for review by the Board Audit and Risk Management Committee of the Company in each of its regular meetings;
- (d) Annual review will be conducted by the independent non-executive directors of the Company pursuant to Rule 14A.55 of the Listing Rules; and
- (e) The Company will also engage its external auditors to review the continuing connected transactions conducted under the Lease Framework Agreement annually pursuant to Rule 14A.56 of the Listing Rules.

REASONS FOR AND BENEFITS

Guoco Group is engaged in property development and investment as one of its core business activities. Transactions relating to the leasing of Properties by the Guoco Group (as lessor) to the Hong Leong Group (as lessee) may arise from time to time in the ordinary and usual course of their respective businesses. It is in the interests of the Guoco Group to enter into the Lease Framework Agreement which sets out an overarching framework to regulate the Leasing Transactions while allowing individual lease, tenancy or licence agreement to continue or to be entered into between the Guoco Group and the Hong Leong Group to bring stable rental income to the Guoco Group. The Lease Framework Agreement and the setting of annual caps facilitate more efficient compliance with the Listing Rules and monitoring of the Leasing Transactions.

The Directors (including the independent non-executive Directors) are of the view that (i) the transactions under the Lease Framework Agreement are conducted in the ordinary and usual course of business of the Guoco Group; (ii) the terms thereunder (including the pricing basis) are on normal commercial terms and no more favourable to the Hong Leong Group than those available to independent third parties, fair and reasonable and in the interests of the Guoco Group and the shareholders of the Company as a whole; and (iii) the basis of determining the annual caps is fair and reasonable.

LISTING RULES IMPLICATIONS

Mr. QUEK Leng Chan, being a controlling shareholder of HLCCM, is a substantial shareholder of the Company. Members of the Hong Leong Group are regarded as associates of a connected person of the Company as defined under Chapter 14A of the Listing Rules. The transactions contemplated under the Lease Framework Agreement constitute continuing connected transactions for the Company under the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the annual caps exceed 0.1% but are less than 5%, the Lease Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, annual review and other disclosure requirements under Chapter 14A of the Listing Rules but are exempted from the independent shareholders' approval requirement. In the event that the Total Rent for any of the three financial years ending 30 June 2029 would exceed the Annual Cap, the Company will comply with the relevant Listing Rules as appropriate.

Messrs. KWEK Leng Hai and KWEK Leng San, directors of the Company, are shareholders of HLCCM. Mr. KWEK Leng Hai is also a director of HLCCM. No Director is deemed to have a material interest in the Lease Framework Agreement and that all Directors are entitled to vote pursuant to the Company's Bye-Laws. Messrs. KWEK Leng Hai and KWEK Leng San have voluntarily elected to abstain from voting on the relevant board resolutions in relation to the approval of the Lease Framework Agreement.

GENERAL INFORMATION

The Company is an investment holding and management company. Its subsidiaries and associated companies are primarily involved in principal investment, property development and investment, hospitality and leisure operations and financial services, located in Hong Kong, Chinese Mainland, Singapore, Malaysia, the United Kingdom, Continental Europe and Australasia.

HLCM is an investment holding company. Its subsidiaries are primarily involved in, amongst others, financial services, manufacturing and distribution business. Mr. QUEK Leng Chan is the controlling shareholder of HLCM. Among the more than 20 remaining minority shareholders, only HLIH and Hong Realty each hold more than 10% shareholding interest. The principal activity of HLIH is investment holding. Hong Realty is a subsidiary of HLIH. Its principal activities are those relating to development and sale of properties, and investment dealings and holdings. Other remaining minority shareholders of HLCM are primarily members of the Quek/Kwek family and persons connected to them with each of them holding less than 3% therein.

DEFINITIONS

“Board”	the board of directors of the Company
“Company”	Guoco Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited (Stock Code: 53)
“Directors”	the director(s) of the Company
“Guoco Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HLCM”	Hong Leong Company (Malaysia) Berhad, a company incorporated in Malaysia
“HLIH”	Hong Leong Investment Holdings Pte. Ltd., a company incorporated in Singapore with limited liability and a substantial shareholder of the Company
“Hong Leong Group”	HLCM and its subsidiaries from time to time
“Hong Realty”	Hong Realty (Private) Limited, a company incorporated in Singapore with limited liability and a subsidiary of HLIH
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Lease Framework Agreement”	the framework agreement dated 30 June 2026 entered into between the Company and HLCM in respect of the Leasing Transactions between members of the Guoco Group (as lessor) and members of the Hong Leong Group (as lessee)
“Leasing Transactions”	all existing and future lease, tenancy or licence transactions between members of the Hong Leong Group (as lessee) and members of the Guoco Group (as lessor) in respect of the Properties as contemplated under separate definitive leasing agreements
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Properties”	the properties owned by members of the Guoco Group from time to time (as the case may be), including but not limited to office premises, shops, workstation, building areas, etc.

“Total Rent” the aggregate rental, lease payments, licence fees, and management/service fees received or receivable by the Guoco Group from the Hong Leong Group under the Lease Framework Agreement

“%” per cent.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 30 June 2026

As at the date of this announcement, the Board comprises Mr. KWEK Leng Hai as Executive Chairman; Mr. Christian K. NOTHHAFT as Executive Director & CEO; Mr. KWEK Leng San as Non-executive Director; Mr. Lester G. HUANG, SBS, JP, Mr. Paul J. BROUGH and Ms. Melissa WU Mao Chin as Independent Non-executive Directors.