



# 國浩集團有限公司 Guoco Group Limited

(Incorporated in Bermuda with limited liability)  
(Stock Code: 00053)

## CONNECTED TRANSACTION

On 12 January 2005, the Purchaser entered into the Securities Sale Agreement with the Vendors for the proposed acquisitions of the Sale Securities at a total cash consideration of approximately RM236.6 million (approximately HK\$485.5 million).

The Securities Sale Agreement constitutes a connected transaction for Guoco under the Listing Rules. As the Purchase Consideration falls within the de minimis threshold as set out under Rule 14A.32(1) of the Listing Rules, no independent shareholders' approval is required. Details of the Proposed Acquisitions will be disclosed in the next published annual report and accounts of Guoco in accordance with Rules 14A.45(1) to (5) of the Listing Rules.

Upon completion of the Proposed Acquisitions, the Purchaser will own 40.03% and 72.25% of the CGB Shares and CGB ICULS respectively. Pursuant to Section 6(1) of The Malaysian Take-overs Code, the Purchaser is obliged to extend a mandatory general offer to acquire the remaining CGB Shares and CGB ICULS the Purchaser does not hold based on the same terms of the Proposed Acquisitions. Under the current terms of the Proposed Acquisitions, the mandatory general offer will not constitute a notifiable transaction for Guoco under the Listing Rules.

### SECURITIES SALE AGREEMENT DATED 12 JANUARY 2005

#### Parties

Purchaser: BSH, a wholly owned subsidiary of Guoco  
Vendors: HLI, a direct subsidiary of HLCM  
HLIT, a direct wholly owned subsidiary of HLI  
HLCom, an indirect wholly owned subsidiary of HLCM  
FCCE, an indirect wholly owned subsidiary of GLL

#### Sale Securities

- 119,557,850 CGB Shares, representing approximately 40.03% equity interests in CGB; and
- 89,566,967 CGB ICULS, representing approximately 72.25% of the outstanding nominal value of CGB ICULS.

#### Consideration

The aggregate Purchase Consideration is approximately RM236.6 million (approximately HK\$485.5 million) payable in cash upon completion of the Securities Sale Agreement. The Purchase Consideration is calculated based on RM1.20 (approximately HK\$2.46) per CGB Share and RM1.04 (approximately HK\$2.13) per CGB ICULS, representing a premium of approximately 9.1% and 10.6% to the closing market prices of the CGB Share and CGB ICULS of RM1.10 (approximately HK\$2.26) and RM0.94 (approximately HK\$1.93) respectively as at 11 January 2005. The aforesaid Purchase Consideration per CGB Share and CGB ICULS also represents a premium of approximately 18.8% and 16.9% to the simple average closing prices of the CGB Share and CGB ICULS of RM1.01 (approximately HK\$2.07) and RM0.89 (approximately HK\$1.83) respectively for the 30 trading days prior to the date of the Securities Sale Agreement. The Purchase Consideration was determined on a willing-buyer-willing-seller basis taking into consideration the substantial percentage of interests in CGB to be acquired to enable the Group to become the single largest shareholder in CGB.

The book costs of the Sale Securities as at 30 September 2004 and the breakdown of the Purchase Consideration to the Vendors are as follows:

Vendors	No. of CGB Shares	No. of CGB ICULS	Book costs to the Vendors as at 30 September 2004 (RM'million)	Consideration payable (RM'million)
HLI and HLIT	80,827,163	54,520,949	225.1	153.7
HLCom	17,420,787	8,408,643	21.1	29.6
FCCE	21,309,900	26,637,375	46.3	53.3
Total:	119,557,850	89,566,967	292.5	236.6

Based on the audited consolidated financial statements of CGB for the year ended 31 December 2003, the loss before and after tax for the year were approximately RM42.2 million (approximately HK\$86.6 million) and RM40.6 million (approximately HK\$83.3 million) respectively and the audited net asset value of CGB as at 31 December 2003 was approximately RM623.0 million (approximately HK\$1,278.3 million). The loss before and after tax for the year ended 31 December 2002 were approximately RM2.6 million (approximately HK\$5.3 million) and RM0.5 million (approximately HK\$1.0 million) respectively. CGB had announced an unaudited consolidated profit before and after tax of approximately RM42.9 million (approximately HK\$88.0 million) and RM43.6 million (approximately HK\$89.5 million) respectively for the 9-month period ended 30 September 2004.

#### Conditions Precedent

The completion of the Securities Sale Agreement is conditional upon, amongst other things, the following conditions precedent being fulfilled:

1. such approval as may be necessary from the SC being obtained by the Purchaser;
2. the approval of the shareholders of the Vendors (as may be required) in general meeting for the sale of the Sale Securities being obtained; and
3. the completion of such due diligence as the Purchaser may opt to undertake and the results of such due diligence being satisfactory to the Purchaser in all material respects.

If the conditions precedent are not fulfilled within 6 months from the date of the Securities Sale Agreement (or within such extended period as the parties may mutually agree), the Securities Sale Agreement shall be terminated.

#### Completion

Completion of the Securities Sale Agreement will take place within 10 Working Days after the fulfillment of the conditions precedent.

#### TERMS OF THE SECURITIES SALE AGREEMENT

The directors of Guoco (including the independent non-executive directors) confirmed that the terms and conditions of the Securities Sale Agreement were arrived at after an arm's length negotiation based on normal commercial terms and in the ordinary and usual course of business and were considered to be fair and reasonable and in the interests of the Company and its shareholders as a whole.

#### BACKGROUND OF CGB

The principal activities of CGB is investment holding. The major asset of CGB is a 22.3% investment in its associated company, BIL which is an investment holding company with primary listing on the SGX-ST and secondary listing on the London and New Zealand Stock Exchanges. BIL's core operating assets comprise Thistle Hotels Group and other investment projects. Thistle Hotels Group owns, leases or manages over 50 hotels in the United Kingdom, providing full services to both business and leisure travelers.

#### REASONS FOR THE PROPOSED ACQUISITIONS

The Proposed Acquisitions will enable Guoco to acquire substantial interests of approximately 40.03% in CGB Shares and 72.25% of CGB ICULS respectively and become the single largest shareholder of CGB. CGB will become an associated company of the Group after completion of the Proposed Acquisitions.

#### GENERAL OFFER IMPLICATION

Upon completion of the Proposed Acquisitions, the Purchaser will own 40.03% and 72.25% of the CGB Shares and CGB ICULS respectively. Pursuant to Section 6(1) of The Malaysian Take-overs Code, the Purchaser is obliged to extend a mandatory general offer to acquire the remaining CGB Shares and CGB ICULS the Purchaser does not hold based on the same terms of the Proposed Acquisitions.

In the event pursuant to the mandatory general offer to be made by the Purchaser in accordance with The Malaysian Take-overs Code, the respective price paid by the Purchaser to the other holders of CGB Shares and CGB ICULS (not being the Vendors) is greater than RM1.20 per CGB Share or RM1.04 per CGB ICULS, the Purchaser shall,

at the same time pay such additional amount as is equal to the difference between the price paid by the Purchaser to the other holders of CGB Shares and CGB ICULS and RM1.20 per CGB Share or RM1.04 per CGB ICULS as the case may be.

Under the current terms of the Proposed Acquisitions, the mandatory general offer will not constitute a notifiable transaction for Guoco under the Listing Rules.

#### CONNECTED TRANSACTION

HLI Group (including HLIT) is owned as to 60.16% by HLCM Group (excluding the Group).

HLCom is an indirect wholly owned subsidiary of HLCM.

FCCE is a wholly owned subsidiary of GLL which is a 62.4% owned subsidiary of Guoco. Mr. Quek Leng Chan, Executive Chairman of Guoco together with his controlled corporations, and Messrs. Kwek Leng Hai, Sat Pal Khattar and Volker Stoeckel in aggregate own more than 10% interests in GLL.

Mr. Quek Leng Chan is also deemed a major shareholder of Guoco, GLL, HLI and HLCM.

HLCM is the ultimate holding company of Guoco, GLL and HLI.

The Securities Sale Agreement constitutes a connected transaction for Guoco under the Listing Rules. As the Purchase Consideration falls within the de minimis threshold as set out under Rule 14A.32(1) of the Listing Rules, no independent shareholders' approval is required. Details of the Proposed Acquisitions will be disclosed in the next published annual report and accounts of Guoco in accordance with Rule 14A.45(1) to (5) of the Listing Rules.

#### GENERAL

The Group is principally engaged in investment and treasury management, property development and investment, stock and commodity broking and insurance.

HLI is principally an investment holding company, with subsidiaries involved in manufacturing, testing and sale of integrated circuits, semiconductor devices, electronic components and leadframes, manufacture and assembly of motorcycles, electric scooters and related parts and products, distribution of motorcycles and motorcycle components and manufacture and sale of ceramic tiles.

HLCom is principally engaged in investment holding.

GLL is an investment holding company and the principal activities of its subsidiaries encompass property development, property investment, property management and property-related activities, with operations in the key geographical markets of Singapore, the People's Republic of China and Malaysia. FCCE is principally engaged in investment holding.

As at the date of this announcement, the Board comprises Mr. Quek Leng Chan as Executive Chairman; Mr. Kwek Leng Hai as President, CEO; Mr. Tan Lim Heng and Mr. James Eng, Jr. as executive directors; Mr. Kwek Leng San as non-executive director and Mr. Sat Pal Khattar, Mr. Harry Richard Wilkinson and Mr. Volker Stoeckel as independent non-executive directors.

#### Definitions

"BIL"	BIL International Limited, a limited company incorporated in Bermuda and listed on the Main Board of the SGX-ST
"BSH" or the "Purchaser"	Brightspring Holdings Limited, a limited company incorporated in the British Virgin Islands
"Bursa Securities"	Bursa Malaysia Securities Berhad
"CGB"	Camerlin Group Berhad, a company incorporated in Malaysia and listed on the Main Board of Bursa Securities
"CGB ICULS"	irredeemable convertible unsecured loan stocks of RM1.00 each issued by CGB, which carry no voting right in CGB and are classified under capital and reserves in the financial statements of CGB.
"CGB Share(s)"	ordinary share(s) of par value RM1.00 each in the issued share capital of CGB
"FCCE"	FCC Equities Pte Ltd, a wholly owned subsidiary of GLL incorporated in Singapore
"GLL"	GuocoLand Limited, a 62.4% owned subsidiary of Guoco incorporated in Singapore and listed on the Main Board of the SGX-ST
"Guoco"	Guoco Group Limited, a company incorporated in Bermuda and listed on the Main Board of the Stock Exchange
"Group"	Guoco and its subsidiaries
"HK\$"	Hong Kong Dollars
"HLI"	Hong Leong Industries Berhad, a company incorporated in Malaysia and listed on the Main Board of Bursa Securities
"HLI Group"	HLI and its subsidiaries
"HLIT"	HLI Trading Limited, a limited company incorporated in Hong Kong
"HLCom"	Hong Leong Computer Services Sdn Bhd, a company incorporated in Malaysia
"HLCM"	Hong Leong Company (Malaysia) Berhad, a company incorporated in Malaysia
"HLCM Group"	HLCM and its subsidiaries
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Proposed Acquisitions"	the proposed acquisitions of the Sale Securities as contemplated under the Securities Sale Agreement
"Purchase Consideration"	The purchase consideration of RM236,619,066
"RM"	Ringgit Malaysia, the lawful currency of Malaysia
"Sale Securities"	119,557,850 CGB Shares and 89,566,967 CGB ICULS to be acquired under the Securities Sale Agreement
"SC"	Securities Commission of Malaysia
"Securities Sale Agreement"	A conditional securities sale agreement dated 12 January 2005 entered into by the Purchaser and the Vendors
"SGX-ST"	Singapore Exchange Securities Trading Limited
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"The Malaysian Take-overs Code"	The Malaysian Code on Take-overs and Mergers
"Vendors"	HLI, HLIT, HLCom and FCCE
"Working Days"	Weekdays from Mondays to Fridays excluding public holidays in Kuala Lumpur

By Order of the Board  
Stella Lo Sze Man  
Company Secretary

Hong Kong, 12 January 2005

*Please also refer to the published version of this announcement in  
The Standard and Hong Kong Economic Journal.*