



國浩集團有限公司 Guoco Group Limited

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

POSSIBLE MAJOR TRANSACTION

Mandatory Conditional Cash Offer

by
G. K. Goh Stockbrokers Pte Ltd
for and on behalf of
High Glory Investments Limited
for
BIL International Limited

The Guoco Group, through the Offeror, has acquired approximately an additional 10.12% of the issued share capital of BIL.

Subject to Completion, the Offeror will make a mandatory general offer for all the BIL Shares which are not then owned by the Offeror and its Concert Parties, at a price of S\$1.20 per BIL Share in cash.

Under the Listing Rules, the Offer constitutes a possible major transaction for Guoco, which requires Shareholders' approval. A written shareholder's approval has been obtained from GOL which holds more than 50% in nominal value of the Guoco Shares giving the right to attend and vote at the general meeting to approve the Transaction. As a result, no general meeting is required to be convened for the approval of the Transaction.

A circular, providing further details of the Transaction, will be despatched to the Shareholders by Guoco as soon as possible for information only.

Trading in the Guoco Shares was suspended at the request of Guoco with effect from 9:30 am on 13 July 2005 pending the release of this announcement. An application has been made for the resumption of trading in Guoco Shares with effect from 9:30 am on 15 July 2005.

Shareholders and potential investors should note that the Offer, which is conditional on the Acceptance Condition, may or may not be completed. Shareholders and investors are reminded to exercise caution when dealing in the securities of Guoco and BIL.

INTRODUCTION

The Acquisition

On 13 July 2005, the Offeror (which is a wholly-owned subsidiary of Guoco) acquired 138,475,000 BIL Shares, representing approximately 10.12% of the issued share capital of BIL from the Seller.

The consideration for the Acquisition was S\$166,170,000 (representing approximately HK\$766 million and S\$1.20 per BIL Share). The consideration was arrived at arm's length negotiations between the parties involved with reference to the prevailing market price of BIL Shares.

Subject to Completion, the Concert Group will own or control 545,903,324 BIL Shares, representing approximately 39.90% of the issued share capital of BIL.

Completion is expected to take place on 18 July 2005 by way of settlement through the clearing system of the SGX-ST.

Takeovers Code

In accordance with Rule 14 of the Takeovers Code, the Offeror is required to make a mandatory conditional takeover offer for all the Offer Shares.

The Offer

G. K. Goh Stockbrokers Pte Ltd, being the Financial Adviser, has announced in Singapore, for and on behalf of the Offeror, that the Offeror intends to make the Offer.

Aggregate Holding

As at the Latest Practicable Date, the Concert Group owned or controlled 407,428,324 Shares, representing approximately 29.78% of the issued share capital of BIL as follows:

	%
Guoco's wholly-owned subsidiary	5.43
Camerlin Group Berhad*	22.26
GuocoLand Limited*	1.83
A director of Guoco	0.01
Other Concert Parties	0.25

*Note: * Guoco's non wholly-owned subsidiary*

THE OFFER

Terms

The Offeror will make the Offer for the Offer Shares, in accordance with Section 139 of the Securities and Futures Act (Chapter 289 of Singapore) and the Takeovers Code.

The Offer will be on the following basis:

For each Offer Share: S\$1.20 in cash
(representing approximately HK\$5.53 per BIL Share)

The Offer Price represents a discount of approximately 1.64% to the closing price of S\$1.22 per BIL Share on 12 July 2005 (as traded on the SGX-ST) and a discount of approximately 1.13% to the 10 days volume weighted average price of S\$1.2137 per BIL Share for the period ended 12 July 2005 (as traded on the SGX-ST). The Offer Price also represents a price earning ratio of 15.5 times, based on the audited consolidated net profit of BIL for the year ended 30 June 2004.

The Offer will be extended to all new BIL Shares unconditionally issued or to be issued pursuant to the valid exercise prior to the close of the Offer of any Options or Capital Notes.

The Offer Shares will be acquired: (i) fully paid; (ii) free from all liens, equities, charges, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever; and (iii) together with all rights, benefits and entitlements attached thereto as at the date of this announcement and hereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by BIL on or after the date of this announcement.

Acceptance Condition

The Offer will be conditional on the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which will result in the Concert Group holding such number of BIL Shares carrying more than 50% of the voting rights attributable to the issued share capital of BIL as at the close of the Offer (including any voting rights attributable to BIL Shares issued or to be issued pursuant to the valid exercise of the Options and the valid conversion of the Capital Notes prior to the close of the Offer).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which will result in the Concert Group holding such number of BIL Shares carrying more than 50% of the maximum potential issued share capital of BIL. For this purpose, the "maximum potential issued share capital of BIL" means the total number of BIL Shares which would be in issue had all the Options been validly exercised and all the Capital Notes been validly converted as at the date of such declaration.

The Offer will be unconditional in all other respects.

Options

Under the rules of the BIL Plan, the Options are not transferable by the holders thereof. In view of this restriction, the Offeror will not make an offer to acquire the Options (although, for the avoidance of doubt, the Offer will be extended to all new Shares issued or to be issued pursuant to the valid exercise of the Options on or prior to the close of the Offer).

As at the Latest Practicable Date, there are no outstanding Options.

Overseas Shareholders

The availability of the Offer to persons not resident in Singapore may be affected by the laws of the relevant jurisdictions.

Shareholders of BIL who are not resident in Singapore will need to inform themselves about, and observe, any applicable requirements in their own jurisdiction.

Further details in relation to shareholders of BIL who are not resident in Singapore will be contained in the Offer Document.

Capital Notes

Based on BIL's 2004 annual report, a wholly-owned subsidiary of BIL had issued the Capital Notes with election dates ranging from 15 October 2004 to 15 October 2007. The Capital Notes pay interest at rates between 8% and 10% per annum.

Under the terms of the Capital Notes, noteholders may on the relevant election date either accept the new terms offered or convert some or all of the Capital Notes into BIL Shares at a price equal to 98% of the weighted average sale price of the BIL Shares on the New Zealand Stock Exchange on each of the 5 business days prior to the relevant election date or, where no BIL Shares have been sold on each of those days, the weighted average sale price of BIL Shares on each of the 5 business days having the highest volumes of trading within the last 14 days prior to the relevant election date.

As the Capital Notes fall within the ambit of Rule 19 of the Takeovers Code, an appropriate offer, in compliance with the provisions of the Takeovers Code, will be made for the Capital Notes, details of which will be contained in the Offer Document.

Value of the Offer

On the basis of the Offer Price, the entire share capital of BIL in issue as at the Latest Practicable Date is valued at approximately S\$1,641.7 million (representing approximately HK\$7,567.6 million) and the Offer Shares in issue as at the Latest Practicable Date in aggregate is valued at approximately S\$986.6 million (representing approximately HK\$4,547.9 million).

Details of the Capital Notes Offer will be announced in due course. Guoco will provide the Shareholders with further details on this in the circular to Shareholders.

The Financial Adviser has confirmed that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer and the Capital Notes Offer by the holders of the Offer Shares and the holders of the Capital Notes, respectively.

Offer Document

The formal document, setting out the terms and conditions of the Offer and the Capital Notes Offer and enclosing the appropriate form(s) of acceptance, will be despatched to holders of Offer Shares and holders of Capital Notes not earlier than 14 days and not later than 21 days from the date of this announcement.

BUSINESS OF THE OFFEROR

The Offeror is a company incorporated in the Cayman Islands and is a wholly-owned subsidiary of Guoco. Its principal activities are that of an investment holding company and it was incorporated for the purposes of making the Acquisition, the Offer and the Capital Notes Offer.

BUSINESS OF BIL

BIL (formerly known as Brierley Investments Ltd) was incorporated in New Zealand in 1961. BIL transferred its domicile to Bermuda in 2000. It is currently listed on the SGX-ST, with secondary listings on the New Zealand Stock Exchange and the London Stock Exchange.

BIL is an international investment company with a global portfolio of investments. The BIL Group's current key investments are in: (i) Thistle Hotels, a hotel chain in the United Kingdom; (ii) development properties on the island of Molokai in Hawaii; (iii) resorts and development properties in Denarau, Fiji, and (iv) the 2.5% royalty on the gross value of all hydrocarbons, liquid or gas produced and recovered in designated areas within Australia's Bass Strait.

The audited consolidated net profit of BIL for the year ended 30 June 2004 was approximately US\$62.6 million (representing approximately HK\$487 million) and the audited consolidated net loss of BIL for the year ended 30 June 2003 was approximately US\$60.3 million (representing approximately HK\$469.1 million), respectively. The audited consolidated net assets of BIL as at 30 June 2004 and 30 June 2003 were approximately US\$864.2 million (representing approximately HK\$6,723.5 million) and US\$735.8 million (representing approximately HK\$5,724.5 million), respectively.

REASONS FOR THE TRANSACTION

Prior to the Acquisition, the Guoco Group already owned approximately 29.52% interests in BIL and believes that it can further contribute to BIL's profitable growth. The Seller, which owned a substantial interest in BIL, wished to sell its stake in BIL. Consequently, the Offeror made the Acquisition to increase the Guoco Group's interests in BIL to approximately 39.64%. As a result of the Acquisition, the Concert Group will own or control approximately 39.90% interests in BIL, and the Offeror is required under the Takeovers Code to make a mandatory offer for the Offer Shares. The Board is of the view that the terms of the Transaction are fair and reasonable and in the best interests of Guoco and the Shareholders.

BUSINESS OF GUOCO

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

GENERAL

The Acquisition does not constitute a notifiable transaction for Guoco under the Listing Rules.

The Offer constitutes a possible major transaction for Guoco under the Listing Rules, which requires Shareholders' approval. A written shareholder's approval has been obtained from GOL which holds more than 50% in nominal value of the Guoco Shares giving the right to attend and vote at the general meeting to approve the Transaction. No Shareholder is required to abstain from voting if Guoco were to convene a general meeting for the approval of the Transaction. As a result, no general meeting is required to be convened for the approval of the Transaction pursuant to Rule 14.44 of the Listing Rules.

A circular, providing further details of the Transaction, will be despatched to the Shareholders by Guoco as soon as possible for information only. The Offer Document will not be sent to the Shareholders as all relevant information will be contained in the circular to Shareholders.

Shareholders and potential investors should note that the Offer, which is conditional on the Acceptance Condition, may or may not be completed. Shareholders and investors are reminded to exercise caution when dealing in the securities of Guoco and BIL.

Trading in the Guoco Shares was suspended at the request of Guoco with effect from 9:30 am on 13 July 2005 pending the release of this announcement. An application has been made for the resumption of trading in Guoco Shares with effect from 9:30 am on 15 July 2005.

DEFINITIONS

In this announcement, the following capitalised terms have the meanings as ascribed to them:

"Acceptance Condition"	the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which will result in the Concert Group holding such number of BIL Shares carrying more than 50% of the voting rights attributable to the issued share capital of BIL as at the close of the Offer
"Acquisition"	the acquisition of the Sale Shares by the Offeror
"BIL"	BIL International Limited, a company incorporated in Bermuda with limited liability and whose shares are primarily listed on the SGX-ST (with secondary listings on the New Zealand Stock Exchange and the London Stock Exchange)
"BIL Group"	BIL and its subsidiaries
"BIL Plan"	the BIL International Share Option Plan
"BIL Shares"	ordinary shares of US\$0.20 each in the capital of BIL
"Board"	the board of directors of Guoco
"Capital Notes"	certain capital notes which, based on BIL's 2004 annual report, were issued by BIL Finance Limited, a wholly-owned subsidiary of BIL, and which are convertible in whole or in part into BIL Shares
"Capital Notes Offer"	an appropriate offer, in compliance with the provisions of the Takeovers Code, to be made for the Capital Notes
"Completion"	completion of the Acquisition
"Concert Group"	the Offeror and its Concert Parties
"Concert Parties"	in respect of a person, means parties acting in concert (within the meaning as ascribed to that term under the Takeovers Code) with such person in relation to voting of BIL Shares

"Financial Adviser"	G. K. Goh Stockbrokers Pte Ltd
"GOL"	GuoLine Overseas Limited, a Shareholder which owns 215,579,447 Guoco Shares (representing approximately 65.52% of the issued share capital of Guoco)
"Guoco"	Guoco Group Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange
"Guoco Group"	Guoco and its subsidiaries
"Guoco Shares"	ordinary shares of US\$0.50 each in the issued share capital of Guoco

"HK\$"	Hong Kong dollar, the legal currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Latest Practicable Date"	12 July 2005, being the latest practicable date for the purpose of ascertaining certain information for the purpose of this announcement

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
-----------------	---

"Offer"	the mandatory conditional cash offer for the Offer Shares
"Offer Document"	the formal document, setting out the terms and conditions of the Offer and the Capital Notes Offer and enclosing the appropriate form(s) of acceptance

"Offer Price"	S\$1.20 in cash
"Offer Shares"	all the BIL Shares in issue (and to be issued pursuant to the BIL Plan) which are not already owned, controlled or agreed to be acquired by the Concert Group as at the date of the Offer (and, for the purpose of the Offer, the expression "Offer Shares" includes any new BIL Shares issued pursuant to any exercise of Options or conversion of the Capital Notes)

"Offeror"	High Glory Investments Limited, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of Guoco
-----------	--

"Options"	any options to subscribe for new BIL Shares granted under the BIL Plan
-----------	--

"PRC"	the People's Republic of China
-------	--------------------------------

"Sale Shares"	138,475,000 BIL Shares (representing approximately 10.12% of the existing issued share capital of BIL)
---------------	--

"Seller"	the selling shareholder of BIL in respect of the Sale Shares, who is an Unconnected Person
----------	--

"SGX-ST"	the Singapore Exchange Securities Trading Limited
"Shareholders"	the shareholders of Guoco

"S\$"	Singapore dollar, the legal currency of Singapore
-------	---

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	the Singapore Code on Take-overs and Mergers as revised with effect from 1 January 2002

"Transaction"	the Acquisition and the Offer
"Unconnected Person"	person who is, to the best knowledge, information and belief of the directors of Guoco, independent third parties not connected with the directors, chief executive, substantial shareholders of Guoco or its subsidiaries or any of their respective associates

"USS"	United States dollar, the legal currency of the United States of America
-------	--

For reference only, the figures in Singapore dollars referred to above have been translated into Hong Kong dollars on the basis of an assumed exchange rate of S\$1.00 = HK\$4.6097 and the figures in United States dollars referred to above have been translated into Hong Kong dollars on the basis of an assumed exchange rate of US\$1.00 = HK\$7.78.

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, CEO; Mr. Tan Lim Heng and Mr. James Eng, Jr. as executive directors; Mr. Kwek Leng San as non-executive director and Mr. Sai Pal Khattar, Mr. Harry Richard Wilkinson and Mr. Volker Stoeckel as independent non-executive directors.

Hong Kong, 14 July 2005

By Order of the Board
Stella Lo Sze Man
Company Secretary