

**GUOCO GROUP LIMITED**  
*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 53)

**OVERSEAS REGULATORY ANNOUNCEMENT**

*(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)*

Please refer to the attached announcement on the next page.

The board of directors of Guoco currently 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. Volker Stoeckel and Mr. Ding Wai Chuen as independent non-executive directors.



Form Version 2.0

## General Announcement

Submitted by MB\_ARAB-MALAYSIAN on 02/16/2007 05:51:53 PM

Reference No MM-070215-54500

Submitting Merchant Bank (if applicable) : **AmInvestment Bank Berhad (Formerly known as AmMerchant Bank Berhad)**

Submitting Secretarial Firm Name (if applicable) :

\* Company name : **Camerlin Group Berhad**

\* Stock name : **CAMERLN**

\* Stock code : **3751**

\* Contact person : **Jeanie Lim/Sharon Chung**

\* Designation : **Director/Co-Head, Capital Markets/ Assoc. Director,CF**

\* Type :  **Announcement**  Reply to query

\* Subject : **CAMERLIN GROUP BERHAD ("CGB" OR "COMPANY")**

- **PROPOSED CAPITAL DISTRIBUTION;**
- **PROPOSED CONSOLIDATION; AND**
- **PROPOSED CANCELLATION OF ACCUMULATED LOSSES**

**(HEREINAFTER COLLECTIVELY KNOWN AS THE "PROPOSALS")**

\* **Contents :-**

**1. INTRODUCTION**

On behalf of the Board of Directors of CGB ("**Board**"), AmInvestment Bank Berhad (formerly known as AmMerchant Bank Berhad), a member of AmInvestment Bank Group ("**AmInvestment Bank**") wishes to announce that the Company is intending to undertake the following proposals:-

- (a) Proposed capital distribution of up to 303,144,609 shares in BIL International Limited ("**BIL**") to the shareholders of CGB, the basis of which shall only be fixed at an entitlement date to be determined later ("**Entitlement Date**"), via a reduction of the share capital of CGB and by cancelling CGB's share premium reserve, which will result in the reduction of the par value of CGB shares from RM1.00 to between RM0.13 and RM0.16 ("**Proposed Capital Distribution**");
- (b) Proposed consolidation of the entire issued and paid-up share capital of CGB, after the Proposed Capital Distribution, into ordinary shares with par value of RM1.00 each ("**Proposed Consolidation**"); and
- (c) Proposed reduction in the share premium of CGB of up to RM838,723,347 pursuant to Sections 60(2) and 64 of the Companies Act, 1965 ("**Act**") to set-off accumulated losses of CGB ("**Proposed Cancellation of Accumulated Losses**");

The Proposed Capital Distribution, Proposed Consolidation and Proposed Cancellation of Accumulated Losses are collectively known as the "**Proposals**". The Proposed Capital Distribution and Proposed Consolidation are inter-conditional. The Proposed Cancellation of Accumulated Losses is conditional on the Proposed Capital Distribution and Proposed Consolidation.

Upon completion of the Proposed Capital Distribution, the Company is expected to be classified as an affected listed issuer under Practice Note (“PN”) 17 of the Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Listing Requirements. It is the intention of the Company to maintain the listing status of CGB on the Main Board of Bursa Securities. In this respect, the Company intends to look for new businesses and assets.

## 2. PROPOSED CAPITAL DISTRIBUTION

### 2.1 Details of the Proposed Capital Distribution

The Proposed Capital Distribution involves a capital distribution to the shareholders of CGB of between 0.65 and 0.67 BIL share for every one (1) existing CGB share held at the Entitlement Date via:-

- (a) reduction of the share capital of the Company by up to RM0.87 per CGB share amounting up to RM405.7 million; and
- (b) reduction of the share premium reserves of the Company by up to RM689.2 million.

As a result of the reduction in the share capital of CGB, the par value of CGB shares will decrease from RM1.00 to a range between RM0.13 and RM0.16. The total number of BIL shares to be distributed pursuant to the Proposed Capital Distribution will range from 265,924,676 to 303,144,609 BIL shares (“Distribution Shares”).

The final distribution of BIL share per CGB share will be determined and announced at a later date after taking into consideration, inter-alia, the possible enlarged share capital and share premium reserves of CGB arising from any exercise of outstanding warrants 1997/2007 (“Warrants”) and conversion of the Irredeemable Convertible Unsecured Loan Stocks 2002/2007 (“ICULS”) as at the Entitlement Date. For information purposes, the Warrants and ICULS will expire on 25 July 2007 and 15 July 2007 (“Expiry Dates”) respectively.

For illustration purposes, the amount to be distributed pursuant to the Minimum and Maximum Scenario for the Proposed Capital Distribution are as set out in **Table 1**.

In determining shareholders’ entitlement to the Proposed Capital Distribution, fractional entitlements of the Distribution Shares will be disregarded and will be dealt with in such manner as the Board shall in its absolute discretion think expedient or to be in the best interest of the Company.

### 2.2 Method of Implementation

As at to-date, the aggregate shareholdings of CGB and its subsidiaries’ (“CGB Group”) in BIL amounted to 304,561,207 BIL shares, representing 22.3% equity interest in BIL.

Depending on the total outstanding Warrants and ICULS eventually exercised / converted, upon completion of the Proposed Capital Distribution, CGB Group will hold between 1,416,598 and 38,636,531 BIL shares representing 0.1% to 2.8% equity interest in BIL respectively, which will remain as part of CGB’s investment portfolio.

As the Proposed Capital Distribution involves a reduction of the Company’s share capital and share premium reserves in accordance with the provisions of Sections 60(2) and 64 of the Act, the reduction will be subject to the confirmation of the High Court of Malaya (“High Court”).

### 3. PROPOSED CONSOLIDATION

Following the Proposed Capital Distribution and assuming the maximum distribution of 303,144,609 BIL shares, CGB will consolidate 466,376,321 ordinary shares of RM0.13 each, on the basis of 100 ordinary shares of RM0.13 each into 13 ordinary shares of RM1.00 each. Upon completion of the Proposed Consolidation, the share capital of CGB will be RM60,628,922 comprising 60,628,922 ordinary shares of RM1.00 each.

Assuming the minimum distribution of 265,924,676 BIL shares, CGB will consolidate 396,902,502 ordinary shares of RM0.16 each, on the basis of 25 ordinary shares of RM0.16 each into 4 ordinary shares of RM1.00 each. Upon completion of the Proposed Consolidation, the share capital of CGB will be RM63,504,400 comprising 63,504,400 ordinary shares of RM1.00 each.

In determining the shareholders' entitlement to the Proposed Consolidation, fractional entitlements shall be disregarded and shall be dealt with in such manner as the Board in its absolute discretion deems fit and expedient and in the best interest of the Company.

### 4. PROPOSED CANCELLATION OF ACCUMULATED LOSSES

It is also proposed that the Company seeks the confirmation of the High Court in accordance with the provisions of Sections 60(2) and 64 of the Act to reduce the share premium reserve of CGB by an amount of up to RM838,723,347 and that the credit of up to RM838,723,347 arising therefrom be utilised towards setting-off against the accumulated losses of the Company.

Based on the audited financial statements of CGB for the financial period ended 30 June 2006, the audited share premium reserve and accumulated losses of CGB stood at RM1,513.9 million and RM1,293.7 million respectively.

### 5. RATIONALE FOR THE PROPOSALS

The Proposed Capital Distribution and Proposed Consolidation will enable CGB's shareholders to have direct equity participation in the BIL shares. The Proposed Cancellation of Accumulated Losses will allow the accumulated losses at CGB company level to be fully written off and provide the Company the opportunity to reconstruct its capital structure to facilitate its future plans.

### 6. EFFECTS OF THE PROPOSALS

#### 6.1 Share Capital

The Proposed Cancellation of Accumulated Losses will not have any effect on the share capital of CGB.

The effects of the Proposed Capital Distribution and Proposed Consolidation on the share capital of CGB are set out under **Table 2**.

#### 6.2 Earnings

Upon completion of the Proposed Capital Distribution, CGB Group's equity interest in BIL will be reduced from the existing interest of 22.3% to between 0.1% and 2.8%. Accordingly, CGB Group will no longer equity account the results of BIL upon completion of the Proposed Capital Distribution. CGB Group will only be recognizing future dividends received (if any) from its residual stake in BIL as its profits.

The Proposed Cancellation of Accumulated Losses is not expected to have any impact on the earnings of the CGB Group.

### **6.3 Substantial Shareholders' Shareholdings**

The Proposed Capital Distribution and the Proposed Consolidation will reduce the number of shares held by all shareholders of CGB, including the substantial shareholders, but will not have any impact on their percentage shareholdings.

The Proposed Cancellation of Accumulated Losses will not have any impact on the substantial shareholders' shareholdings of CGB.

### **6.4 Net Assets ("NA") and Gearing**

The effects of the Proposals on the NA and gearing of the CGB Group, based on the audited consolidated balance sheet of CGB as at 30 June 2006 are set out under **Table 3**.

### **6.5 Dividends**

The Board did not declare any dividend of the financial period from 1 January 2005 to 30 June 2006. The level of dividends to be declared for the financial year ending 30 June 2007 and future financial years would depend on, inter-alia, the financial performance and cashflow position of the CGB Group.

## **7. APPROVALS REQUIRED**

The Proposed Capital Distribution and Proposed Consolidation are subject to the following approval/sanctions:-

- (i) the Securities Commission ;
- (ii) Bursa Securities for the listing of and quotation for the consolidated shares of CGB on the Main Board of Bursa Securities pursuant to the Proposed Consolidation;
- (iii) shareholders of CGB at an extraordinary general meeting ("**EGM**") to be convened;
- (iv) the High Court for the reduction of the Company's share capital and share premium reserve pursuant to Section 64 of the Act;
- (v) a special resolution by CGB's ICULS holders, approving the reduction of the share capital of CGB pursuant to the Proposed Capital Distribution; and
- (vi) any other relevant approvals, if necessary.

The Proposed Cancellation of Accumulated Losses is subject to the approval of the shareholders of CGB at an EGM to be convened as well as the sanction of the High Court for the reduction of the Company's share premium reserve pursuant to Section 64 of the Act.

## **8. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

Save for their respective entitlements under the Proposed Capital Distribution and Proposed Consolidation for which all existing shareholders of the Company are entitled to, none of the Directors, major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Capital Distribution and Proposed Consolidation.

None of the Directors, major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Cancellation of Accumulated Losses.

**9. DIRECTORS' RECOMMENDATION**

The Board, having considered all aspects of the Proposals, is of the opinion that the Proposals are in the best interest of the CGB Group.

**10. ADVISER**

The Board has appointed AmInvestment Bank as the Adviser to CGB for the Proposals.

**11. COMPLIANCE WITH THE SC'S POLICIES AND GUIDELINES ON ISSUE/OFFER OF SECURITIES ("SC GUIDELINES")**

To the best of the Board's knowledge and belief, there is no departure from the SC Guidelines in respect of the Proposed Capital Distribution and Proposed Consolidation.

**12. ESTIMATED TIME FRAME FOR COMPLETION**

Subject to the conditions stated in Section 7 above and barring any unforeseen circumstances, the Proposals are expected to be completed by the fourth quarter of 2007.

**13. APPLICATIONS TO THE RELEVANT AUTHORITIES**

An application to the SC for the Proposed Capital Distribution and Proposed Consolidation is expected to be made within three (3) months from the date of this announcement.

This announcement is dated 16 February 2007.

**Tables Section - This section is to be used to create and insert tables. Please make the appropriate reference to the table(s) in the Contents of the Announcement:**



Table.doc

**Table 1 - The amount to be distributed for the Proposed Capital Distribution**

For illustration purposes, the amount to be distributed pursuant to the Minimum and Maximum Scenario for the Proposed Capital Distribution are as set out below :-

	Minimum Scenario			Maximum Scenario		
	No. of Shares '000	Par Value RM	Share Capital RM'000	No. of Shares '000	Par value RM	Share Capital RM'000
Existing issued and paid-up capital of CGB as at 12 February 2007	396,902	1.00	396,902	396,902	1.00	396,902
Add :						
- Outstanding Warrants exercised	-	-	-	42,425	1.00	42,425
- Outstanding ICULS converted <sup>^</sup>	-	-	-	27,049	1.00	27,049
CGB shares entitled to the Proposed Capital Distribution	396,902	1.00	396,902	466,376	1.00	466,376
BIL shares to be distributed to the shareholders of CGB pursuant to the Proposed Capital Distribution	265,925			303,145		
No. of BIL share distributed per CGB share	0.67			0.65		

Notes:-

**Minimum Scenario** : Representing a scenario where it is assumed that none of the outstanding Warrants / ICULS are exercised / converted prior to the Entitlement Date.

**Maximum Scenario** : Representing a scenario where it is assumed that all the outstanding Warrants and ICULS are exercised / converted prior to the Entitlement Date.

<sup>^</sup> Assuming all the ICULS are converted on the basis of surrendering RM1.00 nominal value of ICULS and the balance of the conversion price to be satisfied in cash.

**Table 2 - Proforma effects of the Proposals on issued and paid-up share capital**

The effects of the Proposed Capital Distribution and Proposed Consolidation on the share capital of CGB are as set out below :-

	Minimum Scenario @			Maximum Scenario #		
	No. of Shares '000	Par Value RM	Share Capital RM'000	No. of Shares '000	Par value RM	Share Capital RM'000
Existing issued and paid-up capital of CGB as at 12 February 2007	396,902	1.00	396,902	396,902	1.00	396,902
• All outstanding Warrants exercised	-	-	-	42,425	1.00	42,425
• All outstanding ICULS converted <sup>^</sup>	-	-	-	27,049	1.00	27,049
CGB shares entitled to the Proposed Capital Distribution	396,902	1.00	396,902	466,376	1.00	466,376
<b>Less :</b> Reduction pursuant to the Proposed Capital Distribution	-	(0.84)	(333,398)	-	(0.87)	(405,747)
After the Proposed Capital Distribution	396,902	0.16	63,504	466,376	0.13	60,629
After the Proposed Consolidation	63,504	1.00	63,504	60,629	1.00	60,629

Notes:-

- @ Representing the scenario whereby the ratio of distribution is 0.67 BIL share per CGB share.
- # Representing the scenario whereby the ratio of distribution is 0.65 BIL share per CGB share.
- <sup>^</sup> Assuming all the ICULS are converted on the basis of surrendering RM1.00 nominal value of ICULS and the balance of the conversion price to be satisfied in cash.



**Table 3 - Proforma effects of the Proposals on the NA**

The effects of the Proposals on the NA and gearing of CGB Group, based on the audited consolidated balance sheet of CGB as at 30 June 2006 are as follows:-

**Minimum Scenario**

		(I)	(II)	(III)
	Audited as at 30 June 2006 (As restated) (RM'000)	After completed events # (RM'000)	After (I) and Proposed Capital Distribution and Proposed Consolidation (RM'000)	After (II) and Proposed Cancellation of Accumulated Losses (RM'000)
Share capital	392,960	396,902	63,504	63,504
Share premium	1,513,922	1,515,530	842,455	3,732
Exchange reserve	201,105	201,105	-	-
Other capital reserve	(12,435)	(12,435)	-	-
Retained profits/ (Accumulated losses)	(1,272,622)	(1,272,622)	(834,862)	2,861 ^
ICULS	29,671	27,049	27,049	27,049
<b>Shareholders' equity</b>	<b>852,601</b>	<b>855,529</b>	<b>98,146</b>	<b>97,146</b>
No. of CGB shares ('000)	392,960	396,902	63,504	63,504
NA per CGB share@ (RM)	2.09	2.09	1.12	1.10
Total borrowings *	14,700	-	-	-
Gearing (times)	0.02	-	-	-

**Notes:-**

# Subsequent to 30 June 2006 and up to 12 February 2007, a total of 3,942,700 CGB shares were allotted and issued as a result of the exercise / conversion of Warrants and ICULS. In November 2006, the CGB Group had received approximately RM25 million dividend from BIL and part of the dividend received was utilised to repay borrowings.

@ NA per CGB Share is calculated using shareholders' equity, excluding the outstanding ICULS, divided by the number of CGB shares.

\* All interest bearing debts.

^ After deducting RM1 million for the estimated expenses for the Proposals.

**Maximum Scenario**

		(I)	(II)	(III)	(IV)
	Audited as at 30 June 2006 (As restated)	After completed events #	After (I) and full exercise / conversion of all outstanding Warrants / ICULS ^^ (RM'000)	After (II) and Proposed Capital Distribution and Proposed Consolidation (RM'000)	After (III) and Proposed Cancellation of Accumulated Losses (RM'000)
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Share capital	392,960	396,902	466,376	60,629	60,629
Share premium	1,513,922	1,515,530	1,558,040	868,856	30,132
Exchange reserve	201,105	201,105	201,105	-	-
Other capital reserve	(12,435)	(12,435)	(12,435)	-	-
Retained profits/ (Accumulated losses)	(1,272,622)	(1,272,622)	(1,272,621)	(826,015)	11,708 ^
ICULS	29,671	27,049	-	-	-
<b>Shareholders' equity</b>	<b>852,601</b>	<b>855,529</b>	<b>940,465</b>	<b>103,470</b>	<b>102,469</b>
No. of CGB shares ('000)	392,960	396,902	466,376	60,629	60,629
NA per CGB share@ (RM)	2.09	2.09	2.02	1.71	1.69
Total borrowings *	14,700	-	-	-	-
Gearing (times)	0.02	-	-	-	-

**Notes:-**

# Subsequent to 30 June 2006 and up to 12 February 2007, a total of 3,942,700 CGB shares were allotted and issued as a result of the exercise / conversion of Warrants and ICULS. In November 2006, the CGB Group had received approximately RM25 million dividend from BIL and part of the dividend received was utilised to repay borrowings.

@ NA per CGB Share is calculated using shareholders' equity, excluding outstanding ICULS, divided by the number of CGB shares.

\* All interest bearing debts.

^ After deducting RM1 million for the estimated expenses for the Proposals.

^^ Assuming all the ICULS are converted on the basis of surrendering RM1.00 nominal value of ICULS and the balance of the conversion price to be satisfied in cash.