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**國浩集團有限公司**  
**Guoco Group Limited**

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

**Discloseable Transaction**  
**Update on the Proposed Acquisition of Gala Casinos by The Rank Group Plc**

Rank announced on 6 March 2013 that Rank Group Gaming has entered into the Revised Acquisition Agreement with Gala Group Investments and Gala Coral Group for the acquisition of Gala Casino 1 which owns 19 of the 23 casinos and the 3 non-operating licences originally comprised within the Original Acquisition Agreement for a revised cash consideration of £179 million.

**BACKGROUND**

Reference is made to the announcements of Guoco on discloseable transaction and further updates as well as the relevant overseas regulatory announcements dated 13 May 2012, 19 September 2012 and 19 February 2013 regarding the Original Proposed Acquisition of Gala Casinos by Rank.

On 12 May 2012 Rank announced that it had conditionally agreed to acquire Gala Casinos from Gala Coral Group. The Original Acquisition Agreement envisaged Rank purchasing 23 casinos and 3 non-operating casino licences and anticipated the possibility of the OFT requiring a limited number of casinos to be excluded from the Original Proposed Acquisition. Approval of Rank Shareholders for the Original Proposed Acquisition was obtained at a general meeting of Rank held on 26 July 2012.

On 20 August 2012 the OFT referred the Original Proposed Acquisition to the Competition Commission for an in-depth merger review and the Original Acquisition Agreement lapsed on 19 September 2012. On 19 February 2013, the Competition Commission published its final report following its review of the Original Proposed Acquisition.

On 6 March 2013 Rank agreed terms with Gala Coral Group for the purchase of 19 of the 23 casinos and the 3 non-operating licences originally comprised within the Original Acquisition Agreement.

**THE REVISED ACQUISITION AGREEMENT**

**Date**

6 March 2013

## **Parties**

Gala Group Investments as the seller  
Gala Coral Group as the guarantor  
Rank Group Gaming as the buyer

## **Amended Acquisition**

The parties have entered into the Revised Acquisition Agreement for the acquisition of Gala Casino 1 which owns the Acquired Assets.

The casinos in Aberdeen, Bristol, Cardiff and Stockton-on-Tees which were previously included in the Original Acquisition Agreement are now excluded from the scope of the Amended Acquisition.

Following the Completion, Rank will become the largest casino operator in Great Britain by number of casinos with 54 operating venues and 12 non-operating licences.

The Board (including the independent non-executive directors) considers that the terms and conditions of the Revised Acquisition Agreement including the revised purchase consideration (see below) are fair and reasonable and in the interests of Guoco and its shareholders as a whole.

## **Purchase Consideration**

The purchase consideration for the Amended Acquisition was revised to £179 million which will be paid in cash upon Completion, subject to customary adjustments for, among other things, the amount of cash, debt and working capital in Gala Casino 1 at Completion.

The revised purchase consideration for the Amended Acquisition was arrived at after arm's length negotiations between the parties based on normal commercial terms. It was determined by reference to a number of factors, including but not limited to, earning potential of the Acquired Assets.

Rank will finance the Amended Acquisition along with its related costs and expenses with new bank facilities to be agreed together with its existing bank facilities.

## **Conditions to Completion**

The Amended Acquisition is conditional upon, among other things, agreeing in the next few weeks appropriate remedy undertakings with the Competition Commission in relation to Rank's non-operating licence in Edinburgh and the 4 casinos to be retained by Gala Coral Group and the Competition Commission formally accepting these undertakings; Rank disposing of its non-operational licence in Edinburgh to a purchaser approved by the Competition Commission; Rank having in place third party financing and Gala Coral Group being in receipt of certain lender consents.

Completion will take place upon fulfillment or waiver of the conditions, which is expected to be in the second quarter of the 2013 calendar year.

## **INFORMATION ON GALA CASINO 1**

Gala Casino 1 was incorporated on 23 November 2012 and commenced trading on 17 February 2013 after the Acquired Assets had been transferred into it.

## DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Amended Acquisition”	the proposed acquisition of Gala Casino 1, which owns 19 of the 23 casinos and the 3 non-operating licences originally comprised within the Original Acquisition Agreement, by Rank Group Gaming pursuant to the Revised Acquisition Agreement
“Acquired Assets”	the 19 casinos and the 3 non-operating licences and the related assets and liabilities transferred to Gala Casino 1
“Board”	the board of directors of Guoco
“Company” or “Guoco”	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
“Completion”	completion of the Amended Acquisition
“Gala Casinos”	Gala Casinos Limited, a company incorporated in England and Wales and a direct wholly owned subsidiary of Gala Group Investments
“Gala Casino 1”	Gala Casino 1 Limited, a company incorporated in England and Wales and a direct wholly owned subsidiary of Gala Group Investments
“Gala Coral Group”	Gala Coral Group Limited, a company incorporated in England and Wales and a holding company for the Gala Coral group of companies which operate licensed betting offices, bingo clubs, casinos and an online betting and gaming business
“Gala Group Investments”	Gala Group Investments Limited, a company incorporated in England and Wales and an indirect wholly owned subsidiary of Gala Coral Group, operating bingo clubs, casino venues and licensed betting offices in the UK through its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“OFT”	Office of Fair Trading in the UK
“Original Acquisition Agreement”	the agreement dated 12 May 2012 between Gala Group Investments, Gala Coral Group, Rank Group Gaming and Rank relating to the Original Proposed Acquisition

“Original Proposed Acquisition”	the proposed acquisition of Gala Casinos, which owned 23 casinos and 3 non-operating casino licences, by Rank Group Gaming pursuant to the Original Acquisition Agreement
“Rank”	The Rank Group Plc, a subsidiary of Guoco incorporated in England and Wales, the shares of which are listed on London Stock Exchange Plc
“Rank Group Gaming”	Rank Group Gaming Division Limited, a company incorporated in England and Wales and an indirect wholly owned subsidiary of Rank, providing shared services to Rank group companies
“Rank Shareholders”	holders of ordinary shares of 13 <sup>8/9</sup> p each in the share capital of Rank
“Revised Acquisition Agreement”	the agreement dated 6 March 2013 between Gala Group Investments, Gala Coral Group and Rank Group Gaming relating to the Amended Acquisition
“UK”	the United Kingdom of Great Britain and Northern Ireland
“£” & “p”	Great British pound and pence, the lawful currencies of the UK

*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 as executive director; Mr. Kwek Leng San as non-executive director and Mr. Volker Stoeckel and Mr. Roderic N. A. Sage as independent non-executive directors.*

*Rank’s announcement on the Amended Acquisition is posted by Guoco as an overseas regulatory announcement on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and Guoco (<http://www.guoco.com>).*

By Order of the Board  
**Stella Lo Sze Man**  
*Company Secretary*

Hong Kong, 7 March 2013