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Renewal of Continuing Connected Transactions – Banking Transactions

This announcement is to comply with the disclosure requirements under the Listing Rules on continuing connected transactions to allow the Group to continue to enter into the Banking Transactions with Hong Leong Financial Institutions during the three financial years ending 30 June 2018.

Since the applicable percentage ratios under the Listing Rules of the New Cap exceed 0.1% but are less than 5%, the Banking Transactions are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Guoco will also comply with Rules 14A.55 to 14A.59 of the Listing Rules in relation to annual review of the Banking Transactions. Details of the Banking Transactions will be included in Guoco's relevant published annual report and accounts in compliance with Rules 14A.71 and 14A.72 of the Listing Rules.

BANKING TRANSACTIONS

Reference is made to the announcement of Guoco dated 29 June 2012 on continuing connected transactions relating to banking transactions. For the purpose of this announcement, Banking Transactions include:

- (a) placing of deposits by the Group with Hong Leong Financial Institutions; and
- (b) purchase of and/or subscription for debt securities issued by Hong Leong Financial Institutions by the Group.

The outstanding deposits placed with Hong Leong Financial Institutions, together with the outstanding principal amount of debt securities issued by Hong Leong Financial Institutions and held by the Group were subject to a maximum of US\$120 million (approximately HK\$930 million) for the three years ending 30 June 2015 and such maximum amount will expire after 30 June 2015.

This announcement is to comply with the disclosure requirements under the Listing Rules on continuing connected transactions for the Group to continue to enter into the Banking Transactions during the three financial years commencing 1 July 2015 and ending 30 June 2018.

NEW CAP

For the purpose of Rule 14A.53 of the Listing Rules, the Relevant Aggregate Amount shall be subject to a new maximum of US\$190 million (approximately HK\$1,473 million) or its equivalent in other currencies (the "New Cap") at any time during the three financial years ending 30 June 2018.

The basis of the New Cap is determined after taking into account the following:

- (i) the anticipated increase of cashflow of the Group as a result of the continuing growth and expansion of the Group's core businesses, which will increase the demand for banking / financial services including placing of deposits with and investment in treasury financial assets, e.g. debt securities issued by financial institutions (including Hong Leong Financial Institutions); and
- (ii) the potential increase in deposit level with Hong Leong Financial Institutions and investments in debt securities issued by Hong Leong Financial Institutions under the Group's treasury activities in view of continuing business expansion and increasing range of products / service offerings of Hong Leong Financial Institutions.

In the event that the Relevant Aggregate Amount exceeds the New Cap at any time during the three years ending 30 June 2018, Guoco will re-comply with Rule 14A.54 as appropriate.

REASONS FOR THE BANKING TRANSACTIONS

As part of its treasury operations, the Group from time to time places deposits with many financial institutions worldwide and purchases and/or subscribes for fixed income and debt securities of financial institutions and other corporations. The Banking Transactions are part of the treasury activities of the Group and are conducted in the ordinary and usual course of business. The Group wishes to have the flexibility to enter into the Banking Transactions with Hong Leong Financial Institutions in a manner similar to comparable transactions which it enters into with unconnected financial institutions.

The directors of Guoco (including the independent non-executive directors) are of the opinion that the Banking Transactions are, and will be, conducted on an arm's length basis and on normal commercial terms. The directors (including the independent non-executive directors) believe that the Banking Transactions are fair and reasonable and in the interests of the Group and the shareholders of Guoco as a whole.

LISTING RULES IMPLICATIONS

Hong Leong Financial Institutions are associates of connected persons (as defined under the Listing Rules) of Guoco by virtue of the fact that they are indirect subsidiaries of HLCM, an indirect controlling shareholder of Guoco. Mr. Quek Leng Chan, Mr. Kwek Leng Hai and Mr. Kwek Leng San are directors and shareholders of HLCM and Guoco. Being a deemed controlling shareholder of HLCM and Guoco, Mr. Quek Leng Chan is deemed to be interested in the Banking Transactions and he has abstained from voting on the relevant resolutions of the Board in relation to the approval of the Banking Transactions. Mr. Kwek Leng Hai and Mr. Kwek Leng San have voluntarily elected to abstain from voting on the said relevant resolutions .

Since the applicable percentage ratios under the Listing Rules of the New Cap exceed 0.1% but are less than 5%, the Banking Transactions are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Guoco will also comply with Rules 14A.55 to 14A.59 of the Listing Rules in relation to annual review of the Banking Transactions. Details of the Banking Transactions will be included in Guoco's relevant published annual report and accounts in compliance with Rules 14A.71 and 14A.72 of the Listing Rules.

GENERAL

Guoco is an investment holding and management company and the principal activities of its subsidiaries and associated companies encompass principal investment, property development and investment, hospitality and leisure business, stock and commodity broking, investment advisory, banking and financing, insurance, fund management as well as merchant banking.

HLB is a financial institution licensed to carry on banking business in Malaysia, Singapore and Hong Kong and is regulated by Bank Negara Malaysia, the Monetary Authority of Singapore and Hong Kong Monetary Authority in the respective jurisdictions. HLBVN is a financial institution licensed to carry on banking business in Vietnam and is regulated by the State Bank of Vietnam. HLBCAM is a financial institution licensed to carry on banking business in Cambodia and is regulated by the National Bank of Cambodia. HLISB is a financial institution licensed to carry on Islamic banking in Malaysia and is regulated by Bank Negara Malaysia. HLIB is a financial institution licensed to carry on banking business in Malaysia and is regulated by Bank Negara Malaysia.

DEFINITIONS

"Banking Transactions"	banking transactions as described under (a) and (b) in this announcement
"Bursa Malaysia"	Bursa Malaysia Securities Berhad
"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
"Group"	Guoco and its subsidiaries from time to time

“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region, the People’s Republic of China
“HLB”	Hong Leong Bank Berhad, an indirect subsidiary of HLCM and an associated company of Guoco, incorporated in Malaysia and listed on Bursa Malaysia
“HLBCAM”	Hong Leong Bank (Cambodia) PLC, a wholly owned subsidiary of HLB incorporated in Cambodia
“HLBVN”	Hong Leong Bank Vietnam Limited, a wholly owned subsidiary of HLB incorporated in Vietnam
“HLCM”	Hong Leong Company (Malaysia) Berhad, a company incorporated in Malaysia, the ultimate holding company and thus a substantial shareholder of Guoco
“HLIB”	Hong Leong Investment Bank Berhad, an indirect subsidiary of HLCM incorporated in Malaysia
“HLISB”	Hong Leong Islamic Bank Berhad, a wholly owned subsidiary of HLB incorporated in Malaysia
“Hong Leong Financial Institutions”	authorised financial institutions within the Hong Leong Group from time to time, currently including HLB, HLISB, HLBVN, HLBCAM and HLIB
“Hong Leong Group”	HLCM and its subsidiaries from time to time (excluding the Group)
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Relevant Aggregate Amount”	the outstanding balance of Banking Transactions from time to time
“US\$”	United States dollars, the lawful currency of the United States of America

(For reference only, the exchange rate of US\$:HK\$ as referred to in this announcement is US\$1.00:HK\$7.7527 as at the date of this announcement.)

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 19 June 2015

As at the date of this announcement, the board of directors of Guoco comprises Mr. Quek Leng Chan as Chairman; Mr. Kwek Leng Hai as President, CEO; Mr. Kwek Leng San and Mr. Tan Lim Heng as non-executive directors and Mr. Volker Stoeckel, Mr. Roderic N. A. Sage and Mr. David Michael Norman as independent non-executive directors.