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# 國浩集團有限公司 Guoco Group Limited

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 53)

## POSSIBLE CONNECTED AND DISCLOSEABLE TRANSACTIONS

### Voluntary Conditional Cash Offer by GuocoLeisure Holdings Limited for all the issued ordinary shares in the capital of GL Limited

GuocoLeisure Holdings Limited, a wholly owned subsidiary of Guoco Group Limited and being the Offeror, announced in Singapore on 15 January 2021 that it intends to make a voluntary conditional cash offer for all the issued ordinary shares in the capital of GL at an offer price of S\$0.70 in cash for each Offer Share. The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) pursuant to the Offer and/or otherwise acquiring or agreeing to acquire the GL Shares other than through valid acceptances of the Offer from the date of despatch of the Offer Document in respect of such number of GL Shares which, when taken together with the GL Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties before or during the Offer, will result in the Offeror and its Concert Parties holding such number of GL Shares carrying not less than 90% of the voting rights attributable to all the GL Shares in issue (excluding treasury shares) as at the close of the Offer (the "Minimum Acceptance Condition").

Guoco has an interest in 969,088,334 GL Shares, representing approximately 70.84% of the GL Shares in issue, held directly by GAL, a wholly owned subsidiary of Guoco. The Offeror has received an irrevocable undertaking from GAL dated 15 January 2021, pursuant to which GAL has undertaken to tender all its GL Shares in acceptance of the Offer (the "Undertaking Shares"), and will waive its right to receive the cash consideration payable to it under Rule 30 of the Singapore Take-overs Code.

Assuming the Offer is accepted in full, the highest applicable percentage ratios (as defined in Rule 14.07 of the HK Listing Rules) in respect of the Offer (excluding the Undertaking Shares) exceeds 5% but to be less than 25%. The Offer (excluding the Undertaking Shares) constitutes a possible discloseable transaction for Guoco under Chapter 14 of the HK Listing Rules and is subject to the reporting and announcement requirements thereunder.

Pursuant to the public disclosures, Mr. Kwek Leng Hai (the Executive Chairman of Guoco) and Mr. Quek Leng Chan (deemed substantial shareholder of Guoco) hold 300,000 GL Shares and 735,000 GL Shares respectively, and the associates of Hong Leong Company (Malaysia) Berhad (the ultimate holding company of Guoco) and associates of Hong Leong Investment Holdings Pte Ltd. (deemed substantial shareholder of Guoco) hold an aggregate interest in 16,228,991 GL Shares. The highest relevant percentage ratio as defined under Rule 14.07 of the HK Listing Rules in connection with the Offer to the aforesaid connected persons of Guoco and their associates is expected to exceed 0.1% but to be less than 5%. Accordingly, the relevant transactions constitute possible connected transactions for Guoco under Chapter 14A of the HK Listing Rules and are subject to the reporting and announcement requirements thereunder.

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

## **INTRODUCTION**

On 15 January 2021, the Offeror announced that it intends to make a voluntary conditional cash offer for all the issued ordinary shares in the capital of GL at an offer price of S\$0.70 (approximately HK\$4.10) in cash for each GL Share. The Offeror will make the Offer for the Offer Shares, subject to the terms and conditions of the Offer set out in the Offer Document to be issued by the Offeror in accordance with Section 139 of the SFA and the Singapore Take-overs Code. The key terms of the Offer are as follows:

## **THE OFFER**

### **Offer Price**

The Offer Price is S\$0.70 in cash per GL Share, representing a premium of approximately 25.0% to the closing price of S\$0.56 per GL Share as quoted on SGX-ST on 14 January 2021 (the trading day immediately preceding the date of announcing the Offer).

The Offer Shares are to be acquired together with all rights, benefits and entitlements attached thereto as at the date of announcing the Offer and thereafter attaching thereto, including, but not limited to, the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) (referred to as “distributions”) declared, paid or made by GL in respect of GL Shares on or after the date of announcing the Offer. The Offer Price will be reduced for any distributions declared, paid or made on or after the date of announcing the Offer if the Offeror is not entitled to receive such distributions.

The Offer Price was determined after taking into account a multitude of factors, including but not limited to, (a) the historical market price of the GL Shares and the takeover premiums typically paid for similar precedent transactions in Singapore; (b) the historical discount implied by GL’s market price to its underlying book value; (c) the financial performance of GL; and (d) the strategic purpose of privatising GL as set out in the section entitled “Reasons for the Offer” in this announcement.

### **Minimum Acceptance Condition**

The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) pursuant to the Offer and/or otherwise acquiring or agreeing to acquire the GL Shares other than through valid acceptances of the Offer from the date of despatch of the Offer Document in respect of such number of GL Shares which, when taken together with the GL Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties before or during the Offer, will result in the Offeror and its Concert Parties holding such number of GL Shares carrying not less than 90% of the voting rights attributable to all the GL Shares in issue (excluding treasury shares) as at the close of the Offer (the “Minimum Acceptance Condition”).

The Offeror reserves the right to reduce the Minimum Acceptance Condition to a level which is more than 50% of the total number of GL Shares or waive the Minimum Acceptance Condition, subject to the consent of the SIC. In the event that the SIC consents to the Minimum Acceptance Condition being waived or revised, (i) the revised Offer will remain open for at least 14 days following the posting of the written notification to GL Shareholders of such waiver or revision, and (ii) GL Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptance within eight days of posting such notification. Save for the Minimum Acceptance Condition, the Offer is unconditional in all other respects.

### **Compulsory Acquisition**

In the event that the Offeror (i) receives valid acceptances pursuant to the Offer from the date of despatch of the Offer Document in respect of not less than 90% of the total number of GL Shares in issue; or (ii) acquires GL Shares whether through valid acceptances of the Offer or otherwise such that the Offeror holds 95% or more of the total number of GL Shares, the Offeror intends to exercise its right under either Section 102 or Section 103 of the Companies Act 1981 of Bermuda to effect the compulsory acquisition.

## **Overseas GL Shareholders**

The Offer is to be made to all GL Shareholders by the Offer Document or by the Offer Document being despatched to GL Shareholders or posted on the website of GL at [www.gl-grp.com](http://www.gl-grp.com) and the website of the SGX-ST at [www.sgx.com](http://www.sgx.com). The Offer will be open to all GL Shareholders, including those to whom the Offer Document and relevant form(s) of acceptance may not be sent. The availability of the Offer to GL shareholders whose addresses are outside Singapore as shown in the register of GL Shareholders or, as the case may be, in the records of The Central Depository (Pte) Limited may be affected by the laws of the relevant jurisdictions.

The Board (including the independent non-executive directors but excluding the interested directors) is of the view that the terms of the Offer are fair and reasonable and in the interests of Guoco and its shareholders as a whole.

## **IRREVOCABLE UNDERTAKING**

Guoco has an interest in 969,088,334 GL Shares, representing approximately 70.84% of the GL Shares (excluding treasury shares) in issue, held directly by GAL, a wholly-owned subsidiary of Guoco. The Offeror has received an irrevocable undertaking from GAL dated 15 January 2021 pursuant to which GAL has undertaken to tender all its GL Shares in acceptance of the Offer, and will waive its right to receive the cash consideration payable to it in respect of the Undertaking Shares under Rule 30 of the Singapore Take-overs Code.

## **VALUE OF THE OFFER**

On the basis of the Offer Price, the entire share capital of GL in issue of 1,368,063,633 GL Shares as at 15 January 2021 is valued at approximately S\$957.6 million (approximately HK\$5,603.2 million) and the Offer Shares, excluding the Undertaking Shares, of 398,975,299 GL Shares as at 15 January 2021, are valued at approximately S\$279.3 million (approximately HK\$1,634.1 million). The cash consideration would be paid out of the internal working capital of the Guoco Group and/or external banking facilities currently available to the Guoco Group.

The Financial Adviser has confirmed that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offer by GL Shareholders on the basis of the Offer Price, excluding the Undertaking Shares to be tendered by GAL pursuant to the aforesaid irrevocable undertaking and for which payment will be waived.

## **INFORMATION OF THE OFFEROR**

The Offeror is an investment holding company for the purposes of making the Offer.

## **INFORMATION OF GL**

GL is an investment holding company listed on the SGX-ST with core business activity in hotel management and operations in the United Kingdom. In addition to its hospitality business, GL owns rights to royalties from the production of oil and natural gas in the Bass Strait, Australia and real estate in Hawaii.

The audited consolidated net profits before tax and after tax of GL for the year ended 30 June 2019 were approximately US\$40.9 million (approximately HK\$319.3 million) and US\$50.3 million (approximately HK\$392.7 million) respectively. The audited consolidated net loss before tax and after tax of GL for the year ended 30 June 2020 were approximately US\$25.6 million (approximately HK\$198.4 million) and US\$26.7 million (approximately HK\$206.9 million) respectively.

The audited consolidated net assets of GL as at 30 June 2020 was approximately US\$883.0 million (approximately HK\$6,843.3 million). The unaudited consolidated net assets of GL as at 31 December 2020 was approximately US\$937.1 million (approximately HK\$7,263.6 million).

## REASONS FOR THE OFFER

The Board believes that privatising GL will give the Company and the management of GL more flexibility to manage the business of GL and optimise capital resources amidst a challenging and unprecedented operating environment driven by the COVID-19 pandemic and Brexit as well as low oil and gas prices. In the event that GL is delisted from the SGX-ST, it will be able to save on expenses relating to the maintenance of its listed status and focus its resources on its operational matters amidst a challenging operating environment.

## HK LISTING RULES IMPLICATIONS

Assuming the Offer is accepted in full, the highest applicable percentage ratio (as defined in Rule 14.07 of the HK Listing Rules) in respect of the Offer (excluding the Undertaking Shares) exceeds 5% but is less than 25%. The Offer (excluding the Undertaking Shares) constitutes a possible discloseable transaction for Guoco under Chapter 14 of the HK Listing Rules and is subject to the reporting and announcement requirements thereunder.

Pursuant to the public disclosures, Mr. Kwek Leng Hai (the Executive Chairman of Guoco) and Mr. Quek Leng Chan (deemed substantial shareholder of Guoco) hold 300,000 GL Shares and 735,000 GL Shares respectively, and the associates of Hong Leong Company (Malaysia) Berhad (the ultimate holding company of Guoco) and associates of Hong Leong Investment Holdings Pte Ltd. (deemed substantial shareholder of Guoco) hold an aggregate interest in 16,228,991 GL Shares. The highest relevant percentage ratio as defined under Rule 14.07 of the HK Listing Rules in connection with the Offer to the aforesaid connected persons of Guoco and their associates is expected to exceed 0.1% but to be less than 5%. Accordingly, the relevant transactions constitute possible connected transactions for Guoco under Chapter 14A of the HK Listing Rules and are subject to the reporting and announcement requirements thereunder.

Mr. KWEK Leng Hai and Mr. CHEW Seong Aun, directors of the Company, are directors of GL. Mr. Kwek is also a GL Shareholder. Mr. Kwek and Mr. Chew have elected to abstain from voting voluntarily notwithstanding that they are not considered having material interest in the Offer under Guoco's Bye-laws.

## GENERAL

Guoco is an investment holding and management company with operations and investments principally located in Asia, Europe and New Zealand. Its subsidiaries and associated companies are primarily involved in principal investment, property development and investment, hospitality and leisure operations, financial services and others.

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

*(For reference only, the exchange rate of S\$:HK\$ is S\$1:HK\$5.851 as at 14 January 2021. The exchange rates of US\$:HK\$ are US\$1:HK\$7.80695 as at 30 June 2019, US\$1:HK\$7.7501 as at 30 June 2020, US\$1:HK\$7.7511 as at 31 December 2020 respectively.)*

## DEFINITIONS

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

“associate”	has the meaning ascribed to it under the HK Listing Rules
“Board”	the board of directors of Guoco

“Concert Parties”	in respect of a person, means parties acting in concert (within the meaning as ascribed to that term under the Singapore Take-overs Code) with such person in relation to voting of GL Shares
“Financial Adviser”	DBS Bank Ltd., the financial adviser to the Offeror in connection with the Offer
“GAL”	GuocoLeisure Assets Limited, a company incorporated in the Cayman Islands with limited liability and a wholly owned subsidiary of Guoco
“GL”	GL Limited, a company continued in Bermuda as an exempted company and is listed on the SGX-ST
“GL Shareholders”	holders of GL Shares
“GL Shares”	ordinary shares in the issued share capital of GL
“Guoco” or the “Company”	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 (Stock Code: 53)
“Guoco Group”	Guoco and its subsidiaries from time to time
“HK Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region, the People’s Republic of China
“Minimum Acceptance Condition”	has the meaning ascribed to it under the section heading “Minimum Acceptance Condition” of this announcement
“Offer”	the voluntary conditional cash offer for the Offer Shares
“Offer Document”	the formal document setting out the terms and conditions of the Offer to be issued by the Offeror in accordance with the SFA and the Singapore Take-overs Code
“Offer Price”	S\$0.70 per Offer Share in cash
“Offer Shares”	all GL Shares, including any GL Shares owned, controlled or agreed to be acquired by the Offeror
“Offeror”	GuocoLeisure Holdings Limited, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of Guoco
“S\$”	Singapore dollars, the lawful currency of Singapore
“SFA”	the Securities and Futures Act, Chapter 289 of Singapore
“SGX-ST”	the Singapore Exchange Securities Trading Limited
“SIC”	the Securities Industry Council of Singapore
“Singapore Take-overs Code”	the Singapore Code on Take-overs and Mergers

“Undertaking Shares” all the GL Shares held by GAL (which as at the date of this announcement amount to 969,088,334 GL Shares, representing approximately 70.84% of the GL Shares in issue), which GAL has undertaken to tender in acceptance of the Offer pursuant to an irrevocable undertaking dated 15 January 2021 executed by GAL and received by the Offeror

“%” per cent.

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

Hong Kong, 15 January 2021

*As at the date of this announcement, the Board comprises Mr. KWEK Leng Hai as Executive Chairman; Mr. CHEW Seong Aun as Executive Director; Mr. KWEK Leng San as Non-executive Director; Mr. Roderic N. A. SAGE, Mr. David Michael NORMAN and Mr. Lester G. HUANG, SBS, JP as Independent Non-executive Directors.*