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## POSSIBLE MAJOR TRANSACTION

**Mandatory Cash Offer**  
**by**  
**All Global Investments Limited**  
**for**  
**The Rank Group Plc**

Immediately following acquisition of Rank Shares by the Offeror (All Global Investments Limited, a wholly owned subsidiary of Guoco) on 6 May 2011, the Guoco Group owns a total of 159,486,902 Rank Shares, representing approximately 40.84% of the issued share capital of Rank. In accordance with Rule 9 of the UK Takeover Code, the Offeror is required to make a mandatory cash offer for all the Offer Shares. The Offeror has announced in the UK on 6 May 2011 a mandatory cash offer to acquire the Offer Shares pursuant to Rule 9 of the UK Takeover Code.

Under the HK Listing Rules, the Offer, itself or when aggregated with the Acquisition, 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 Guoco Shares giving the right to attend and vote at the general meeting to approve the Offer. As a result, no general meeting is required to be convened for the approval of the Offer.

An initial circular is expected to be despatched to the Shareholders within 15 business days from the date of publication of this announcement (i.e. on or before 31 May 2011) to contain information required under Rule 14.67A(2) of the HK Listing Rules. A supplemental circular will be despatched to the Shareholders pursuant to Rule 14.67A(3) of the HK Listing Rules within 45 days of the earlier of (1) Guoco being able to gain access to Rank's books and records for the purpose of complying with the disclosure requirements under the HK Listing Rules in respect of Rank and the enlarged group; and (2) Guoco being able to exercise control over Rank subject to the Offer becoming unconditional and completion of the Offer.

**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 Rank.**

### INTRODUCTION

On 6 May 2011, the Offeror agreed to acquire from members of the Genting Berhad group an aggregate of 45,251,203 Rank Shares, representing approximately 11.59% in the issued share capital in Rank, at a consideration of 150p per share, totalling £67.9 million. The consideration was arrived at after arm's length negotiations between the parties involved with reference to the then prevailing market price of Rank Shares.

Immediate following the Acquisition, the Guoco Group owns a total of 159,486,902 Rank Shares, representing approximately 40.84% of the issued share capital of Rank.

In accordance with Rule 9 of the UK Takeover Code, the Offeror is required to make a mandatory cash offer for all the Offer Shares.

The Offeror has announced in the UK on 6 May 2011 a mandatory cash offer to acquire the Offer Shares pursuant to Rule 9 of the UK Takeover Code.

## **THE OFFER**

### **Terms**

The Offeror will make the Offer for the Offer Shares, in accordance with the UK Takeover Code.

The Offer Price is 150p (approximately HK\$19.15) in cash per Rank Share, representing a premium of approximately 2.1% to the Closing Price of 146.9p per Rank Share on 5 May 2011 (the trading day immediately preceding the date of announcing the Offer). The Offer Price is same as the consideration per share of the Acquisition.

The Offer Shares will be acquired by the Offeror fully paid with full title guarantee and free from all liens, charges, encumbrances, equitable interests, pre-emption rights and other interests and rights of whatsoever nature and together with all rights now or hereafter attaching thereto, including the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made after 6 May 2011.

The Offer will lapse if, on the first closing date or the date when the Offer becomes unconditional, whichever is the later, the Acquisition is either referred to the Competition Commission of the UK or results in the European Commission, initiating proceedings or making a referral to a competent authority of the UK.

### **Acceptance Condition**

The Offer will be subject to valid acceptances being received by the first closing date of the Offer (or such later time(s) and/or date(s) as the Offeror may, subject to the rules of the UK Takeover Code or with the consent of the UK Takeover Panel, decide) in respect of such number of Rank Shares which, when aggregated with the Rank Shares acquired or agreed to be acquired by the Concert Group carry more than 50% of the voting rights then normally exercisable at a general meeting of Rank.

### **Rank Share Schemes**

The Offer will extend to any Rank Shares issued or unconditionally allotted or issued fully paid (or credited as fully paid) after 6 May 2011 and before the date the Offer closes (or such earlier date as the Offeror may, subject to the UK Takeover Code and in accordance with the condition and further terms of the Offer, decide), including those Rank Shares allotted or issued as a result of the exercise or vesting of options or awards under the Rank Share Schemes.

If the Offer becomes unconditional in all respects, the Offeror intends to make appropriate proposals to the holders of awards under the Rank Share Schemes to the extent that such awards have not vested and /or been exercised.

### **Overseas Shareholders**

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

### **Value of the Offer**

On the basis of the Offer Price, the entire share capital of Rank in issue as at 5 May 2011 is valued at approximately £585.8 million (approximately HK\$7,477.2 million) and the Offer Shares in issue as at 5 May 2011 in aggregate is valued at approximately £346.6 million (approximately HK\$4,424.0 million). The cash consideration would be paid out of the internal working capital of the Guoco Group.

The Financial Adviser is satisfied that sufficient financial resources are available to the Offeror to satisfy the cash consideration payable to shareholders of Rank in the event of full acceptance of the Offer.

## **INFORMATION OF THE OFFEROR**

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

## **INFORMATION OF RANK**

Rank is a European gaming company with a primary focus on casinos and bingo clubs in the UK. In addition to the operations in the UK, Rank has direct operations in Spain and Belgium and through its remote gaming business provides betting and gaming services.

The audited consolidated net profits before tax of Rank for the years ended 31 December 2010 and 31 December 2009 were approximately £74.5 million (approximately HK\$950.9 million) and £52.8 million (approximately HK\$673.9 million) respectively. The audited consolidated net profits after tax of Rank for the years ended 31 December 2010 and 31 December 2009 were approximately £53.2 million (approximately HK\$679.0 million) and £38.5 million (approximately HK\$491.4 million) respectively.

The consolidated net assets of Rank as at 31 December 2010 was approximately £77.7 million (approximately HK\$991.8 million).

## **REASONS FOR THE OFFER**

Prior to the Acquisition, the Guoco Group was already beneficially interested in aggregate approximately 29.25% of the issued share capital of Rank. As the Guoco Group believes that Rank represents an attractive investment opportunity, the Guoco Group (through the Offeror) undertook the Acquisition to increase its interests in Rank.

The Acquisition resulted in the Offeror and the Concert Parties owning more than 30% of the issued and paid-up share capital of Rank. Accordingly, the Offeror is required under Rule 9 of the UK Takeover Code to make the Offer.

The Board (including the independent non-executive directors) is of the view that the terms of the Offer are fair and reasonable and in the interests of the Shareholders as a whole.

## **HK LISTING RULES IMPLICATIONS**

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

The Offer, itself or when aggregated with the Acquisition, constitutes a possible major transaction for Guoco under the HK Listing Rules, which requires Shareholders' approval. No Shareholder is required to abstain from voting if Guoco were to convene a general meeting for the approval of the Offer. 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 Offer. As a result, no general meeting is required to be convened for the approval of the Offer pursuant to Rule 14.44 of the HK Listing Rules.

Rank is listed on the London Stock Exchange and is restricted under relevant UK laws, rules and regulations from providing to Guoco non-public information concerning Rank for preparing the circular for the purpose of complying with the disclosure requirements under the HK Listing Rules in respect of Rank and the enlarged group. Subject to the Offer becoming unconditional and completion of the Offer, Rank will become a subsidiary of Guoco. An initial circular is expected to be despatched to the Shareholders within 15 business days from the date of publication of this announcement (i.e. on or before 31 May 2011) to contain information required under Rule 14.67A(2) of the HK Listing Rules. A supplemental circular will be despatched to the Shareholders pursuant to Rule 14.67A(3) of the HK Listing Rules within 45 days of the earlier of (1) Guoco being able to gain access to Rank's books and records for the purpose of complying with the disclosure requirements under the HK Listing Rules in respect of Rank and the enlarged group; and (2) Guoco being able to exercise control over Rank subject to the Offer becoming unconditional and completion of the Offer.

The Offer Document will not be sent to the Shareholders as relevant information will be contained in the aforesaid circulars.

## GENERAL

Guoco is an investment holding and investment management company. 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.

**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 Rank.**

As at the date of this announcement, the Board comprises Mr. Quek Leng Chan as Executive Chairman; Mr. Kwek Leng Hai as President and CEO; Mr. Tan Lim Heng and Mr. Ding Wai Chuen as executive directors; Mr. Kwek Leng San as non-executive director and Mr. Sat Pal Khattar, Mr. Volker Stoeckel and Mr. Roderic N. A. Sage as independent non-executive directors.

*(For reference only, the exchange rate of £:HK\$ as referred to in this announcement is £1:HK\$12.764 as at 6 May 2011.)*

## DEFINITIONS

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

“Acceptance Condition”	has the meaning ascribed to it under the section heading “Acceptance Condition” of this announcement
“Acquisition”	the acquisition of 45,251,203 Rank Shares by Offeror on 6 May 2011 from members of the Genting Berhad group at a price of 150p for each Rank Share. To the best of the knowledge, information and belief of Guoco’s directors having made all reasonable enquiry, members of the Genting Berhad Group are third parties independent of Guoco and its connected person
“Board”	the board of directors of Guoco
“Closing Price”	the closing middle-market price of a Rank Share on a particular day as derived from the daily official list of the United Kingdom Listing Authority
“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 UK Takeover Code) with such person in relation to voting of Rank Shares
“Financial Adviser”	Evercore Partners Limited
“GOL”	GuoLine Overseas Limited, a Shareholder which owns 235,198,529 Guoco Shares, representing 71.48% of the total issued share capital of Guoco as at 6 May 2011
“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 (Stock Code: 53)
“Guoco Group”	Guoco and its subsidiaries from time to time
“Guoco Shares”	ordinary shares of US\$0.50 each in the issued share capital of Guoco
“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
“London Stock Exchange”	London Stock Exchange plc
“Offer”	the mandatory cash offer for the Offer Shares
“Offer Document”	the formal document setting out the terms and conditions of the Offer
“Offer Price”	150p per Offer Share in cash
“Offer Shares”	all the issued and to be issued Rank Shares which are not owned by the Guoco Group
“Offeror”	All Global Investments Limited, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of Guoco
“Rank”	The Rank Group Plc, a company incorporated in England, the shares of which are listed on the London Stock Exchange (Code: RNK)
“Rank Share Scheme”	the option and incentive schemes of Rank under which options or awards over Rank Shares are outstanding, including (the extent applicable) the long-term incentive plan, the save-as-you-earn shares option scheme and the executive share option scheme
“Rank Shares”	ordinary shares of 13 <sup>8/9</sup> p each in the share capital of Rank
“Shareholders”	Guoco's shareholders
“UK”	the United Kingdom
“UK Takeover Code”	the City Code on Takeovers and Mergers of the UK
“£” & “p”	Great British pound and pence, the legal currencies of the UK

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

Hong Kong, 9 May 2011