

PRESS RELEASE

15 January 2021
For Immediate Release

GUOCO GROUP TO PRIVATISE GL LIMITED AT S\$0.70 PER SHARE

All capitalised terms which are used in this press release but not otherwise defined herein shall have the meanings ascribed to them in the offer announcement (“Offer Announcement”) released by GuocoLeisure Holdings Limited (the “Offeror”) dated 15 January 2021.

- The Offeror believes that privatising GL Limited will provide greater management flexibility to navigate a challenging and unprecedented operating environment driven by COVID-19, Brexit and low oil and gas prices:
 - The Company’s core business of owning and operating UK hotels has been severely impacted by pandemic driven restrictions and faces further uncertainties driven by a post-Brexit environment that may materially impact business travel and retail tourism;
 - The Company’s oil & gas business has been impacted by the weakening of crude oil and gas prices caused by the ongoing pandemic; and
 - The Company did not declare a dividend for FY2020 considering a bleak economic outlook and the need to conserve cash to meet its operational requirements.
- The Offer Price of S\$0.70 per Share represents a favourable valuation:
 - 25.0% premium over the last transacted price per Share on 14 January 2021, being the Last Trading Day prior to the Offer Announcement;
 - 28.2%, 33.3%, 28.0% and 9.5% premium over the 1-month, 3-month, 6-month and 12-month VWAPs up to (and including) the Last Trading Day; and
 - The implied P / NAV multiple of 0.73x represents a 19.7% premium to the 1-year historical average of 0.61x.
- The Offeror has secured an irrevocable undertaking for 70.84% of the Shares, and is the only offer capable of turning unconditional or succeeding. Should the Offer fail to become or be declared unconditional, the Offeror is not permitted under the Singapore Code of Take-overs and Mergers to make another general offer for 12 months following the lapse of the Offer.
- The Offer is conditional upon the Offeror receiving acceptances, which together with Shares held by its concert parties, is not less than 90% of the Shares.

Singapore, 15 January 2021 – Hong Kong-listed Guoco Group Limited (“GGL”) has today announced the proposed privatisation and delisting of GL Limited (“GL” or the “Company”) from the Singapore Exchange Trading Securities Limited (“SGX-ST”). The proposed privatisation will be effected by way of a voluntary conditional cash offer (“Offer”), pursuant to which GuocoLeisure Holdings Limited (the “Offeror”), a wholly owned subsidiary of GGL, is seeking to acquire all the ordinary shares in the capital of GL (“Shares”).

The Offer is conditional upon the Offeror receiving acceptances, which together with Shares held by its concert parties, is not less than 90% of the Shares. GGL has an indirect stake of 70.84% of the Company held through its wholly-owned subsidiary, GuocoLeisure Assets Limited (“GAL”) and GAL has irrevocably undertaken to accept the Offer and will waive its right to receive the cash consideration payable to it for the Shares it holds (the “Undertaking Shares”). If the Offeror receives sufficient valid acceptances, the Offeror intends to exercise its rights of Compulsory Acquisition¹ and subsequently delist GL from the SGX-ST. In this case, GL will be a wholly-owned subsidiary of the Offeror and an indirect wholly-owned subsidiary of GGL.

The consideration for each Share is S\$0.70 in cash (“Offer Price”). The Offer Price will be reduced for any dividends declared, paid or made on or after the date of the Offer Announcement if the Offeror is not entitled to receive such dividends. However, Shareholders should note that no dividend was declared for FY2020.

Key Rationale for the Offer

Greater management flexibility to navigate a challenging and unprecedented operating environment.

The Offeror believes that privatising the Company will give the Offeror and the management of the Company more flexibility to manage the business of the Company 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.

- The Company faces a challenging and unprecedented operating environment driven by COVID-19 and Brexit.

The Company’s core business of owning and operating United Kingdom (“UK”) hotels has been severely impacted by pandemic driven restrictions which resulted in most of the Company’s hotels being closed during the six-month financial period ended 31 December 2020 (“1H FY21”), contributing to a decline in the Company’s revenue of 90 per cent. in comparison to the financial period ended 31 December 2019 (“1H FY20”), resulting in a net loss of US\$19.8m which would have been significantly larger if not for other operating income of US\$26.5m which mainly comprised of insurance claims relating to UK hotel business disruption and government grants relating to the pandemic. This followed a 27 per cent. decline in hotel segment revenue in the financial year ended 30 June 2020 (“FY2020”) in comparison to the financial year ended 30 June 2019 (“FY2019”).

The pandemic continues to significantly curtail demand for UK hotel rooms, with renewed government-imposed lockdowns commencing in January 2021 resulting in the closure of the Company’s hotels. Given this, it is likely the Company’s UK hotels will continue to face a difficult operating environment in 2021. Further uncertainties are driven by a post-Brexit environment that may materially impact business travel and retail tourism.²

¹ The Offeror is making the Offer with a view to privatising and delisting the Company from the SGX-ST and exercising any rights of compulsory acquisition that may arise under either Section 102 or Section 103 of the Companies Act 1981 of Bermuda (the “Compulsory Acquisition”).

² Financial figures and explanatory statements pertaining to the financial performance and business operations of the Company have been sourced from the Company’s unaudited and audited financial statements for 1H FY21 and FY2020 respectively and the FY2020 Annual Report, as disclosed on SGXNet.

- The Company's Oil and Gas business has been affected by low oil and gas prices.

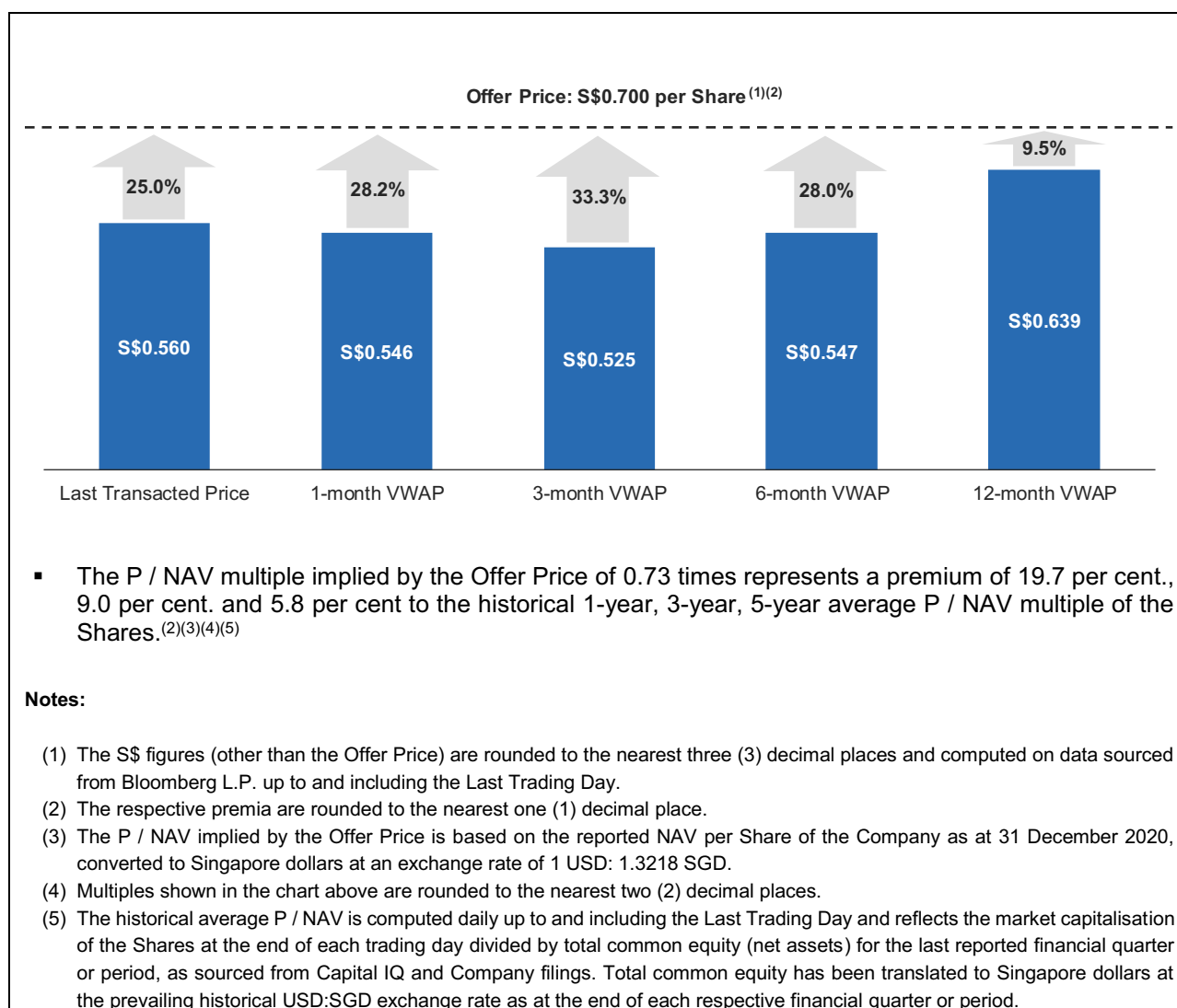
The Company's oil and gas business relies on royalty income from its entitlement to Bass Strait's oil and gas production in Australia. This royalty income has declined given lower crude oil and gas prices impacted by the ongoing pandemic. This contributed to a 90 per cent. decline in the Company's revenue in 1H FY21 in comparison to 1H FY20 and followed a 14 per cent. decline in oil and gas segment revenue in FY2020 in comparison to FY2019.²

- The Company did not declare a dividend for FY2020.

The Company did not declare a dividend for FY2020 considering a bleak economic outlook and the need to conserve cash to meet its operational requirements.²

Opportunity for Shareholders to realise their investment at a premium without incurring brokerage fees.

The Offer represents an opportunity for Shareholders to realise their investment at a premium amidst a challenging and unprecedented operating environment for the Company.



- The P / NAV multiple implied by the Offer Price of 0.73 times represents a premium of 19.7 per cent., 9.0 per cent. and 5.8 per cent. to the historical 1-year, 3-year, 5-year average P / NAV multiple of the Shares.⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾

Notes:

- (1) The S\$ figures (other than the Offer Price) are rounded to the nearest three (3) decimal places and computed on data sourced from Bloomberg L.P. up to and including the Last Trading Day.
- (2) The respective premia are rounded to the nearest one (1) decimal place.
- (3) The P / NAV implied by the Offer Price is based on the reported NAV per Share of the Company as at 31 December 2020, converted to Singapore dollars at an exchange rate of 1 USD: 1.3218 SGD.
- (4) Multiples shown in the chart above are rounded to the nearest two (2) decimal places.
- (5) The historical average P / NAV is computed daily up to and including the Last Trading Day and reflects the market capitalisation of the Shares at the end of each trading day divided by total common equity (net assets) for the last reported financial quarter or period, as sourced from Capital IQ and Company filings. Total common equity has been translated to Singapore dollars at the prevailing historical USD:SGD exchange rate as at the end of each respective financial quarter or period.

Only Offer capable of turning unconditional or succeeding.

Given that Shares representing approximately 70.84 per cent. of the issued share capital of the Company has undertaken to accept the Offer, no other general offer will be capable of turning unconditional or succeeding. Should the Offer fail to become or be declared unconditional, the Offeror is not permitted under the Singapore Code of Take-overs and Mergers to make another offer for the Company for 12 months following the lapse of the Offer.

Financial Advisers

DBS Bank Ltd. is the sole financial adviser to the Offeror.

Offer Document

A formal offer document containing the terms and conditions of the Offer and enclosing the appropriate form(s) of acceptance of the Offer will be despatched to Shareholders and posted on the website of the Company at <https://www.gl-grp.com> and the website of the SGX-ST at www.sgx.com not earlier than 14 days and not later than 21 days from today. The Offer will remain open for acceptances for a period of at least 28 days from the date of posting of the offer document.

About GL Limited

GL Limited 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.

About Guoco Group Limited

Guoco Group Limited 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 and financial services.

Responsibility Statement

The directors of the Offeror (including any who may have delegated detailed supervision of the preparation of this press release) have taken all reasonable care to ensure that the facts stated are accurate and opinions expressed in this press release are fair and that, where appropriate, no material facts in relation thereto have been omitted from this press release.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from GL Limited, the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this press release.

The directors of the Offeror jointly and severally accept responsibility accordingly.

All capitalised terms which are used in this press release but are not otherwise defined herein shall have the meanings ascribed to them in the Offer Announcement. This press release should be read in conjunction with the full text of the Offer Announcement which is available on www.sgx.com.

Any enquiries relating to the Offer should be directed during office hours to:

DBS Bank Ltd.

Strategic Advisory

Telephone: (65) 6878 6212