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CONNECTED TRANSACTION

SALE OF PROPERTY UNITS

On 24 November 2014, PJCP, a wholly owned subsidiary of GLM which in turn is an indirect listed subsidiary of the Company, entered into a Letter of Offer with HLMG Realty, pursuant to which PJCP as vendor agreed to sell and HLMG Realty as the purchaser agreed to purchase 12 Property Units at an aggregate consideration of RM63,322,000 (equivalent to approximately HK\$147,021,000).

As HLMG Realty is an associate of a connected person of the Company under Chapter 14A of the Listing Rules, the Transaction constitutes a connected transaction of the Company. As the applicable percentage ratios of the Transaction exceed 0.1% but are less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from independent shareholders' approval under Chapter 14A of the Listing Rules.

THE LETTER OF OFFER

Date of execution

24 November 2014

Parties

- (1) PJCP as vendor; and
- (2) HLMG Realty as purchaser.

Assets to be sold

Pursuant to the Letter of Offer, PJCP agreed to sell and HLMG Realty agreed to purchase 12 Property Units with a total floor area of approximately 9,500 square meters.

Consideration and Payment Terms

The Consideration of RM63,322,000 (equivalent to approximately HK\$147,021,000) for the 12 Property Units has been paid or shall be payable in the following manner:

- (1) an earnest deposit of RM1,266,000 (equivalent to approximately HK\$2,939,000) ("Earnest Deposit"), equivalent to 2% of the Consideration, has been paid to the Vendor upon acceptance of the Letter of Offer;
- (2) a deposit equivalent to 10% of the Consideration (inclusive of the Earnest Deposit) ("Deposit") shall be payable upon the execution of the Sale and Purchase Agreements;
- (3) 80% of the purchase price of each Property Unit shall be payable by 9 stages upon satisfaction of the condition precedent of the Transaction and based on the progress of construction of each Property Unit; and

- (4) 10% of the purchase price of each Property Unit shall be payable on the date the Vendor issues notice to the Purchaser to take vacant possession of the Property Unit with a certificate of completion and compliance.

If at any time prior to the execution of the Sale and Purchase Agreements,

- (i) the Transaction is aborted by the Purchaser, the Earnest Deposit shall be forfeited absolutely to the Vendor; or
- (ii) the Transaction is aborted by the Vendor, the Earnest Deposit shall be refunded free of interest to the Purchaser forthwith and in addition thereto, the Vendor shall pay to the Purchaser a sum equivalent to 2% of the Consideration as agreed liquidated damages.

Basis of Consideration

The Consideration for the Property Units was arrived at by reference to a market valuation of the Property Units of RM61,300,000 (equivalent to approximately HK\$142,326,000) by an independent professional valuer and the prevailing market price of similar property.

Sale and Purchase Agreements

The Sale and Purchase Agreements shall be executed within 30 days from the Purchaser's receipt of the draft Sale and Purchase Agreements provided by the Vendor.

HLMG Realty may nominate a related company within the HLMG group of companies to be the purchaser to execute the Sale and Purchase Agreements for any or all of the 12 Property Units provided it is not a foreigner or a party whose purchase will require any regulatory or other approvals.

Condition Precedent of the Transaction

The Transaction shall be conditional upon the Vendor and the Purchaser obtaining their respective shareholders' approvals (including the approval of the members of their respective holding companies, if required) for the Transaction within 3 months from the date of the Sale and Purchase Agreements.

If the Vendor and/or Purchaser shall fail to satisfy the abovementioned condition precedent within the stipulated period or such extended period as may be mutually agreed between the Vendor and the Purchaser, the sale and purchase shall be terminated and the Vendor shall refund the Deposit paid to the Purchaser free of interest and thereafter the Purchaser shall have no claim whatsoever against the Vendor.

RATIONALE FOR THE TRANSACTION

Upon completion of the Transaction, the GLM Group is expected to record an estimated gain of approximately RM13,931,000 (equivalent to approximately HK\$32,345,000). The expected gain is calculated based on the Consideration for the Property Units after deducting the estimated aggregate development cost of approximately RM49,391,000 (equivalent to approximately HK\$114,676,000). It is intended that the sale proceeds would be used as working capital for the development of the Property Units.

The Transaction is in the ordinary course of business of the GLM Group and is conducted on normal commercial terms consistent with the GLM Group's usual business practices and policies. The Board (including the independent non-executive directors) considers that the terms and conditions of the sale of the Property Units to the Purchaser are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The Purchaser is an indirect wholly owned subsidiary of HLCCM and thus an associate of a connected person of the Company under Chapter 14A of the Listing Rules and the Transaction constitutes a connected transaction of the Company.

Mr. Quek Leng Chan, Mr. Kwek Leng Hai and Mr. Kwek Leng San are directors and shareholders of HLCCM and the Company. Being a deemed controlling shareholder of HLCCM and the Company, Mr. Quek Leng Chan is deemed to have a material interest in the Transaction and he has abstained from voting on the relevant resolutions of the Board in relation to the approval of the Transaction. Mr. Kwek Leng Hai and Mr. Kwek Leng San have also elected to abstain from voting voluntarily notwithstanding they are not considered to have material interest in the Transaction.

As the applicable percentage ratios of the Transaction exceed 0.1% but are less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from independent shareholders' approval under Chapter 14A of the Listing Rules.

INFORMATION ON THE GUOCO GROUP, PJCP AND HLMG REALTY

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.

PJCP is the property developer of the Property Units and a wholly owned subsidiary of GLM. GLM is held as to 65% by GLL, which in turn is indirectly owned as to 65.24% by the Company. GLM is listed on the Main Market of Bursa Malaysia Securities Berhad and has an established presence in Malaysia, engaging in property development, investment, operation of oil palm estate as well as hotel and resort holdings activities.

HLMG Realty is a wholly owned subsidiary of HLMG, which in turn is wholly owned by HLCCM. HLMG Realty is currently dormant and its intended principal activity is investment holding. HLCCM is the ultimate holding company of the Company.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Company”	Guoco Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Consideration”	RM63,322,000 (equivalent to approximately HK\$147,021,000), being the aggregate consideration of the sale of 12 Property Units under the Letter of Offer
“GLL”	GuocoLand Limited, a company incorporated in Singapore and a 65.24% controlled subsidiary of the Company, the shares of which are listed on the Singapore Exchange Securities Trading Limited
“GLM”	GuocoLand (Malaysia) Berhad, a company incorporated in Malaysia and a 65% controlled subsidiary of GLL, the shares of which are listed on the Main Market of Bursa Malaysia Securities Berhad
“GLM Group”	GLM and its subsidiaries

“Guoco Group”	Guoco and its subsidiaries
“HLCM”	Hong Leong Company (Malaysia) Berhad, a company incorporated in Malaysia, the ultimate holding company and thus a substantial shareholder of the Company
“HLMG”	Hong Leong Manufacturing Group Sdn Bhd, the holding company of the Purchaser
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Letter of Offer”	the letter of offer entered into between the Vendor and the Purchaser on 24 November 2014 in respect of the sale and purchase of 12 Property Units
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property Units”	12 office units with a total floor area of approximately 9,500 square meters located in a commercial building known as Block D, PJ City Phase 2 to be constructed on part of a land situated at Petaling Jaya, Selangor, Malaysia, and each “Property Unit”
“Purchaser” or “HLMG Realty”	HLMG Realty Sdn Bhd, a company incorporated in Malaysia and an indirect wholly owned subsidiary of HLCM
“RM”	Malaysian Ringgit, the lawful currency of Malaysia
“Sale and Purchase Agreements”	the sale and purchase agreements to be entered into between the Vendor and the Purchaser in respect of the sale and purchase of 12 Property Units
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the sale and purchase of the Property Units and the transactions contemplated thereunder
“Vendor” or “PJCP”	PJ Corporate Park Sdn Bhd, a company incorporated in Malaysia and a wholly owned subsidiary of GLM
“%”	per cent.

Note:

1. All figures are rounded to the nearest thousand for easy reference; and
2. The exchange rate of RM:HK\$ as referred to in this announcement is RM1:HK\$2.3218 as at 24 November 2014 and is for reference only.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 24 November 2014

As at the date of this announcement, the Board comprises Mr. Quek Leng Chan as 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, Mr. Roderic N. A. Sage and Mr. David Michael Norman as independent non-executive directors.