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國浩集團有限公司
Guoco Group Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 53)

CONNECTED TRANSACTION

SALE OF DC TOWER SDN BHD

On 3 July 2015, Hong Leong Real Estate Holdings Sdn Bhd, a wholly owned subsidiary of GuocoLand (Malaysia) Berhad which in turn is an indirect subsidiary of Guoco, as vendor entered into a share sale agreement with Hong Leong Bank Berhad as purchaser for the disposal of the entire issued and paid up share capital of DC Tower Sdn Bhd for an indicative cash consideration of RM189,333,000 (equivalent to approximately HK\$389,212,000). DC Tower Sdn Bhd is holding the development and ownership rights of a 33-storey purpose-built stratified office building currently referred to as Office Tower A which is located within the on-going integrated development project known as Damansara City Kuala Lumpur.

As Hong Leong Bank Berhad is an associate of connected persons (as defined under the Listing Rules) of Guoco by virtue of the fact that it is an indirect subsidiary of Hong Leong Company (Malaysia) Berhad, an indirect controlling shareholder of Guoco, the transaction constitutes a connected transaction of Guoco. 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 the circular and independent shareholders' approval under Chapter 14A of the Listing Rules.

SHARE SALE AGREEMENT

Date of Execution

3 July 2015

Parties

- (1) HLREH as the vendor; and
- (2) HLB as the purchaser

Assets to be sold

Pursuant to the Share Sale Agreement, HLREH agreed to sell and HLB agreed to purchase the Sale Shares. DCT is principally a property investment company, holding the development and ownership rights in respect of Office Tower A which is expected to be completed by December 2015 with an initial estimated net lettable area of 506,069 square foot.

As at the date of the Share Sale Agreement, the issued and paid-up share capital of DCT comprises of 2,500,002 Ordinary Shares and 36,450 RPS.

Upon completion of the Transaction, DCT will cease to be a subsidiary of the Group.

Sale Price and Payment Terms

The Sale Price shall be the aggregate sum of:

- (1) the consideration for such number of RPS which are issued and fully paid up but not yet redeemed as at the Unconditional Date, calculated at RM1,000 only for each RPS; and
- (2) the consideration for the Ordinary Shares, being a sum equivalent to the net asset value of DCT based on the Building Value, as shown in the audited accounts of DCT as at the Unconditional Date, and after deducting the consideration for the RPS.

The payment terms are as follows:

- (a) a sum of RM18,933,300 (equivalent to approximately HK\$38,921,200), equivalent to 10% of the Estimated Sale Price, was paid in cash as deposit upon signing of the Share Sale Agreement.
- (b) the balance of the Sale Price which shall be determined pursuant to the management accounts of DCT as at the last day of the month preceding the month in which the Unconditional Date occurs (but otherwise in accordance with (1) and (2) above) less the deposit in (a), shall be paid in cash within 21 days of the receipt by HLB of the said management accounts.

The Estimated Sale Price represents the estimated realisable net assets of DCT upon completion of Office Tower A.

Basis of Determining the Consideration

The Sale Price was arrived at on a “willing-buyer willing-seller” basis and the Estimated Sale Price was agreed upon after taking into consideration the following:

- (1) the unaudited net assets of DCT as at 31 May 2015 of approximately RM38.2 million (equivalent to approximately HK\$78.5 million); and
- (2) the estimated market value of Office Tower A upon completion of RM582.0 million (equivalent to approximately HK\$1,196.4 million) pursuant to a valuation certificate dated 30 June 2015 by an independent firm of valuers using the investment and comparison methods of valuation.

Conditions Precedent of the Transaction

The completion of the Share Sale Agreement is subject to and conditional upon all of the following conditions precedent being fulfilled or waived within 12 months from the date of the Share Sale Agreement or within such extended period as may be agreed between HLREH and HLB in writing:

- (1) HLREH obtaining the approval of Public Bank Berhad, the financier to DCT, for the change of shareholder of DCT;
- (2) HLREH obtaining the approval of the shareholders of GLM for sale of the Sale Shares by HLREH; and
- (3) HLREH obtaining the certificate of practical completion for Office Tower A.

HLREH and HLB may, where permitted by law, mutually agree in writing to waive any or all of the above conditions precedent. If any of the above conditions precedent shall not be fulfilled or waived within the 12 months period from the date of the Share Sale Agreement, then either HLREH or HLB may at any time thereafter terminate the Share Sale Agreement by giving 7 days' written notice to the other party whereupon (a) neither HLREH nor HLB shall have further claims against the other party, and (b) HLREH shall refund to HLB the aforesaid deposit free of interest.

Rationale for the Transaction

The Transaction is undertaken to enable GLM Group to unlock its investment in DCT (which owns Office Tower A) at its current market value and realise a net gain on disposal of about RM137.3 million (equivalent to approximately HK\$282.2 million). The Transaction also allows GLM Group to strengthen its liquidity and cash flow position by raising cash proceeds of RM189.3 million (equivalent to approximately HK\$389.2 million) which shall be utilized for, inter alia, the repayment of its bank borrowings.

The Board (including the independent non-executive directors) considers that the terms and conditions of the Share Sale Agreement are fair and reasonable and in the interests of the Group and the shareholders of Guoco as a whole.

LISTING RULES IMPLICATIONS

As HLB is an associate of connected persons (as defined under the Listing Rules) of Guoco by virtue of the fact that it is an indirect subsidiary of HLCM, an indirect controlling shareholder of Guoco, the Transaction constitutes a connected transaction 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 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 voluntarily elected to abstain from voting on the said relevant resolutions.

Since the applicable percentage ratios under the Listing Rules 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 the circular and independent shareholders' approval requirements under Chapter 14A 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.

DEFINITIONS

"Board"	the board of directors of the Company
"Building Value"	the value of Office Tower A, which HLREH and HLB accept and agree and shall be calculated based on RM1,150 only per square foot over the aggregate net lettable area of Office Tower A as confirmed by a registered surveyor
"Bursa Malaysia"	Bursa Malaysia Securities Berhad
"DCT"	DC Tower Sdn Bhd, a direct subsidiary of HLREH, incorporated in Malaysia
"Estimated Sale Price"	RM189,333,000 (equivalent to approximately HK\$389,212,000), being the estimated sale price of the Sale Shares
"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
"Group"	Guoco and its subsidiaries
"Guoco"	Guoco Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange

“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, a company incorporated in Malaysia and listed on Bursa Malaysia, an indirect subsidiary of HLCM and an associated company of Guoco
“HLCM”	Hong Leong Company (Malaysia) Berhad, a company incorporated in Malaysia with limited liability and the ultimate holding company of Guoco
“HLREH”	Hong Leong Real Estate Holdings Sdn Bhd, a direct subsidiary of GLM and an associated company of Guoco, incorporated in Malaysia
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Office Tower A”	a 33-storey purpose-built stratified office building which is located within the on-going integrated development project known as Damansara City Kuala Lumpur which is constructed on Geran 74955, Lot 58303, Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur
“Ordinary Shares”	ordinary shares of RM1 each, issued and fully paid up or credited as fully paid up in DCT
“RM”	Malaysian Ringgit, the lawful currency of Malaysia
“RPS”	redeemable preference shares of RM1 each with premium of RM999 each, issued and fully paid up or credited as fully paid up in DCT
“Sale Price”	the sale price of the Sale Shares to be determined pursuant to the Share Sale Agreement
“Sale Shares”	all the Ordinary Shares and such number of RPS which are issued and fully paid up and not yet redeemed as at the Unconditional Date of DCT
“Share Sale Agreement”	the share sale agreement entered into between HLREH as the vendor and HLB as the purchaser in respect of the Sale Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the sale and purchase of the Sale Shares pursuant to the Share Sale Agreement
“Unconditional Date”	the date the last conditions precedent of the Share Sale Agreement (if not waived) is fulfilled
“%”	per cent.

Note:

The exchange rate of RM:HK\$ as referred to in this announcement is RM1:HK\$2.0557 the date hereof for reference only.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 3 July 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.