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Major Transaction

Disposal of Entire Interests in Beijing Dongzhimen Project

Guoco Group Limited announces that on 20 August 2015, GuocoLand (China) Limited (a wholly owned subsidiary of the Group's 65.2% controlled subsidiary, GuocoLand Limited listed on Singapore Exchange Securities Limited), as the seller entered into a master transaction agreement with the Beijing city branch of China Cinda Asset Management Co., Ltd. as the purchaser in respect of the disposal of the project rights and the project liabilities of the GLL Group in respect of the Dongzhimen project which is an integrated property development located in Dongzhimen, Beijing for an aggregate consideration of approximately RMB10,500,000,000 (equivalent to approximately HK\$12.73 billion).

Since one of the applicable percentage ratios under the Listing Rules in respect of the transaction exceeds 25% but less than 75%, the transaction constitutes a major transaction for Guoco Group Limited under the Listing Rules. Pursuant to Rule 14.44 of the Listing Rules, a written shareholder's approval for the Transaction has been obtained from GuoLine Overseas Limited which holds 71.9% of the total number of issued shares of the Company as at the date of this announcement. A circular providing details of the Transaction will be despatched to the shareholders for information only in accordance with the Listing Rules.

MASTER TRANSACTION AGREEMENT

On 20 August 2015, GLC, as the seller, entered into a master transaction agreement with the Purchaser in respect of the disposal of the Project Rights and Project Liabilities in or relating to the Dongzhimen Project. Completion of the Transaction took place upon the signing of the Agreement. Following the completion, the companies relating to the Dongzhimen Project, including Vantage Beauty Limited, Vantage Beauty (HK) Limited, Hainan Co and the Project Company will cease to be subsidiaries of the Group.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are independent third parties of Guoco and Guoco's connected persons (as defined under the Listing Rules).

Consideration

The aggregate consideration for the Transaction is RMB10,500,000,000 (equivalent to approximately HK\$12.73 billion) comprising RMB4,563,116,000 (equivalent to approximately HK\$5.53 billion) for the Project Rights and RMB5,936,884,000 (equivalent to approximately HK\$7.20 billion) for the Project Liabilities. The total consideration is arrived at on a willing-buyer and willing-seller basis after arms-length negotiation.

RMB9.45 billion (equivalent to approximately HK\$11.45 billion) in cash was paid upon signing of the Agreement and the balance in cash is payable on the last day of the 18th month from the date of the Agreement or dealt with in accordance with the tax provisions in the Agreement, as the case may be.

Rationale

The aggregate carrying value of the Dongzhimen Project in the books of the GLL Group as at 30 June 2015 is approximately RMB8.46 billion (equivalent to approximately HK\$10.25 billion). The Transaction is expected to generate a net profit of approximately RMB1.58 billion (equivalent to approximately HK\$1.91 billion) for the GLL Group. The net proceeds of the Transaction will be used for repayment of debts and general working capital of the GLL Group. The Transaction is carried out in the ordinary course of the GLL Group's property development and investment business and provides an opportunity for the GLL Group to realise the capital value of the Dongzhimen Project.

The Directors considered that the terms and conditions of the Agreement are fair and reasonable and in the interests of Guoco and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Since one of the applicable percentage ratios under the Listing Rules in respect of the Transaction exceeds 25% but less than 75%, the Transaction constitutes a major transaction for Guoco under the Listing Rules. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no shareholder of the Company or any of their respective associates have any material interest in the Transaction. As such, no shareholder of the Company would be required to abstain from voting for the resolution approving the Transaction if the Company were to convene a special general meeting to approve the Transaction. Pursuant to Rule 14.44 of the Listing Rules, a written shareholder's approval for the Transaction has been obtained from GuoLine Overseas Limited which holds 71.9% of the total number of issued shares of the Company as at the date of this announcement. A circular providing details of the Transaction will be despatched to the shareholders for information only in accordance with 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.

The Purchaser is the Beijing city branch of China Cinda Asset Management Co., Ltd. which is principally engaged in distressed asset management and provision of customized financial solutions and differentiated asset management services to its clients through the synergistic operation of its diversified business platforms.

TRADING HALT OF AND RESUMPTION OF TRADING IN THE SHARES OF GUOCO

At the request of the Company, trading in the shares of Guoco and the Notes on the Stock Exchange was halted with effect from 11:38 a.m on Thursday, 20 August 2015 pending the release of this announcement. An application has been made by Guoco to the Stock Exchange for resumption of trading in the shares of Guoco and the Notes with effect from 9:00 a.m. on Friday, 21 August 2015.

DEFINITIONS

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

"Agreement" the master transaction agreement dated 20 August 2015 entered into by GLC and the Purchaser in relation to the Transaction

“Directors”	the directors of Guoco
“Dongzhimen Project”	all land under the State-owned Land Use Right Certificate (Jing Dong Guo Yong (2005) Chu No. A00572) located to the north of Dong Zhi Men Wai Avenue in Dongcheng District with a usable area of 91,287.7 square metres to be used for office, commercial, apartment and underground parking lot purposes, the land use right of which is obtained by way of grant and the integrated property development situated thereon
“GLC”	GuocoLand (China) Limited, a wholly owned subsidiary of GLL
“GLL”	GuocoLand Limited, a 65.2% owned subsidiary of Guoco, the shares of which are listed on the SGX-ST
“GLL Group”	GLL and its subsidiaries
“Group”	Guoco and its subsidiaries
“Guoco” or the “Company”	Guoco Group Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 53)
“Hainan Co”	海南京灝實業有限公司 (Hainan Jin Hao Asset Limited), a company incorporated in the PRC and directly holding 90% equity interest in the Project Company
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	the 4.75% guaranteed notes due 2017 issued by Dynamic Talent Limited (a wholly owned subsidiary of Guoco) guaranteed by Guoco, listed on the Stock Exchange (Stock Code: 4560)
“PRC”	the People's Republic of China
“Project Company”	北京城建東華房地產開發有限責任公司(Beijing ChengJian Dong Hua Real Estate Development Company Limited), a company incorporated in the PRC and being the developer of the Dongzhimen Project
“Project Liabilities”	debts owed by Project Company and its affiliates to the GLL Group
“Project Rights”	all the rights, powers, interests and benefits GLC has in relation to Hainan Co and the Dongzhimen Project
“Purchaser”	the Beijing city branch of China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司), a joint stock limited company incorporated in the PRC with its H Shares listed on the Stock Exchange (Stock Code: 1359)
“RMB”	Renminbi, the lawful currency of the PRC
“SGX-ST”	Singapore Exchange Securities Trading Limited

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the disposal of all the Project Rights and Project Liabilities of the GLL Group in or relating to the Hainan Co and Dongzhimen Project pursuant to the Agreement
“%”	per cent.

Note:

The exchange rate of RMB:HK\$ as referred to in this announcement is RMB1:HK\$1.2120 the date hereof for reference only.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 20 August 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.