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## **CONNECTED TRANSACTION IN RELATION TO PROPOSED ISSUANCE OF SHARES IN GLL CHENGDU PTE. LTD.**

On 29 November 2016, GLL, the Company's 65.24% owned subsidiary listed on SGX-ST, announced that it has entered into the Memorandum with HLHC with the intention of its participation in the acquisition and property development of the Land Parcels through the proposed subscription for and the issuance of new shares in GLL Chengdu, a wholly owned subsidiary of GLL, so that HLHC will hold 25% of the enlarged issued share capital in GLL Chengdu. GLL Chengdu has won the construction land use right for the land parcels in Chongqing, PRC for the mixed development comprising retail, office and residential components at the bid price of RMB3,640,560,000 (equivalent to approximately HK\$4,097,814,000).

HLHC is a wholly owned subsidiary of Hong Leong Holdings Ltd. which in turn is 61.75% held by Hong Leong Investment Holdings Pte. Ltd., a deemed substantial shareholder of the Company, and thus an associate of a connected person of the Company under Chapter 14A of the Listing Rules. The proposed issuance of new shares in GLL Chengdu to HLHC pursuant to the Memorandum therefore constitutes a connected transaction of the Company. As the applicable percentage ratios of the Transaction exceed 0.1% but are less than 5%, it is subject to the reporting and announcement requirements but is exempt from independent shareholders' approval under Chapter 14A of the Listing Rules.

## **PROPOSED ISSUANCE OF NEW SHARES IN GLL CHENGDU TO HLHC**

On 29 November 2016, GLL, the Company's 65.24% owned subsidiary listed on SGX-ST, announced that it has entered into the Memorandum with HLHC with the intention that HLHC will participate in the acquisition and property development of the Land Parcels through the proposed subscription for and the issuance of new shares in GLL Chengdu so that HLHC will hold 25% of the enlarged issued share capital in GLL Chengdu. Upon the proposed issuance of shares in GLL Chengdu to HLHC pursuant to the Memorandum, GLL's interest will be reduced to 75% of the enlarged issued share capital in GLL Chengdu which will continue to be a subsidiary of GLL.

GLL Chengdu has won the construction land use right for the Land Parcels for mixed development comprising retail, office and residential components in a tender by the Land Resources and Housing Management Bureau of Chongqing Municipality at the bid price of RMB3,640,560,000 (equivalent to approximately HK\$4,097,814,000). The Land Parcels, with a land area of approximately 48,961 square metres and a total above ground gross floor area of 513,600 square metres, are located within the Jiefangbei (Liberation Square) Commercial Belt in the Yuzhong District, a key district of Chongqing, PRC.

A project company which will be wholly owned by GLL Chengdu will be established in PRC to undertake the Development Project. GLL and HLHC shall share in accordance with the respective proportion of 75:25 in GLL Chengdu, the profits and losses (if any) of the Development Project, and pay, contribute, fund or undertake all obligations and expenses thereof accordingly.

Based on the acquisition consideration of the Land Parcels of RMB3,640,560,000 (equivalent to approximately HK\$4,097,814,000) and the related expenses and costs, the initial capital contribution of HLHC of its 25% shareholding in GLL Chengdu is estimated to be RMB946,545,500 (equivalent to approximately HK\$1,065,432,000). HLHC shall subscribe for the new shares in GLL Chengdu in accordance with the Memorandum on or before 3 December 2016.

## **RATIONALE FOR THE TRANSACTION**

GLL engages in property development and investment business with embedded operations in Singapore, China, Malaysia and Vietnam. The Board (including the independent non-executive directors) considers that the Memorandum is in the ordinary and usual course of business of GLL as it introduces the participation by another party in a property development project of GLL. The Board is also of the view that the Transaction is of normal commercial terms and is fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

HLHC is a wholly owned subsidiary of Hong Leong Holdings Ltd. which in turn is 61.75% held by Hong Leong Investment Holdings Pte. Ltd., a deemed substantial shareholder of the Company, and thus an associate of a connected person of the Company under Chapter 14A of the Listing Rules. The Transaction therefore 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.

Mr. Kwek Leng Hai and Mr. Kwek Leng San are shareholders of Hong Leong Holdings Ltd.. While they are not considered as having material interest in the Transaction, they have voluntarily elected to abstain from voting on the relevant board resolutions in relation to the approval of the Transaction.

## **INFORMATION ON THE COMPANY AND HLHC**

The Company 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, banking and financing, insurance, fund management, stock broking as well as merchant banking.

HLHC, a Singapore incorporated wholly owned subsidiary of Hong Leong Holdings Ltd. which in turn is 61.75% held by Hong Leong Investment Holdings Pte. Ltd.. Hong Leong Holdings Ltd. is a privately-held property development and investment company in Singapore.

## **DEFINITIONS**

“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
“Development Project”	the acquisition and property development of the Land Parcels
“GLL”	GuocoLand Limited, a 65.24% owned subsidiary of the Company listed on SGX-ST
“GLL Chengdu”	GLL Chengdu Pte. Ltd., a wholly owned subsidiary of GLL

“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region, PRC
“HLHC”	Hong Leong Holdings (China) Pte. Ltd., a company incorporated in Singapore and an indirect subsidiary of Hong Leong Investment Holdings Pte. Ltd., a deemed substantial shareholder of the Company, and thus an associate of a connected person of the Company
“Land Parcels”	land plots number H3-5/03, H5-1/04, H6-1/04 and H3-8-4/03 within the Yuzhong District, Chongqing, PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	Memorandum of General Agreement entered into between GLL and HLHC
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Taiwan, the Hong Kong Special Administration Region and the Macau Special Administrative Region of PRC
“RMB”	Reminbi, the lawful currency of PRC
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	proposed subscription by HLHC for new shares in GLL Chengdu and issuance of new shares in GLL Chengdu to HLHC pursuant to the Memorandum
“%”	per cent

Note:

The exchange rate of RMB:HK\$ as referred to in this announcement is RMB1:HK\$1.1256 as at 29 November 2016 and is for reference only.

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

Hong Kong, 29 November 2016

*As at the date of this announcement, the Board comprises Mr. Kwek Leng Hai as Executive Chairman; Mr Tang Hong Cheong as President & CEO; Mr. Tan Lim Heng and Mr. Kwek Leng San as non-executive directors and Mr. Volker Stoeckel, Mr. Roderic N. A. Sage and Mr. David Michael Norman as independent non-executive directors.*