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

**Connected Transaction
Joint Venture Agreement
for a Property Project in Singapore
- Land Parcel at River Valley Close**

On 27 December 2019, GLS, a wholly-owned subsidiary of GuocoLand, the Company's 66.8% owned subsidiary listed on SGX-ST, has entered into the JV Agreement with Intrepid and HRPL as well as CDPL whereby the Shareholders agreed to jointly participate in the acquisition and re-development of the Property in the Agreed JV Proportion.

Pursuant to the JV Agreement, CDPL is the joint venture company to undertake the Project, including among other things, the enbloc acquisition from independent third parties of the Property through a tender at an accepted tender price of S\$980,000,000 (approximately HK\$5,649,004,200) and the proposed re-development of the Property into 2 towers of 36-storey apartments (total: 376 units) with landscape deck, common basement car parks and common facilities. The total funding commitment of GLS is S\$143,191,332 (approximately HK\$825,396,363) comprising share capital of S\$1,600,000 (approximately HK\$9,222,864) and a shareholder's loan of S\$141,591,332 (approximately HK\$816,173,499).

Intrepid is a wholly-owned subsidiary of HLHL which is in turn a subsidiary of HLIL and HRPL is also a subsidiary of HLIL. As HLIL is a deemed substantial shareholder of the Company, Intrepid and HRPL are associates of a connected person of the Company as defined 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.

INTRODUCTION

On 27 December 2019, GLS, a wholly-owned subsidiary of GuocoLand, the Company's 66.8% owned subsidiary listed on SGX-ST, has entered into the JV Agreement with Intrepid and HRPL as well as CDPL, a company established for the Project, whereby the Shareholders agreed to jointly participate in the acquisition and re-development of the Property in the Agreed JV Proportion. The shareholding proportion of CDPL is the same as the Agreed JV Proportion.

Pursuant to the JV Agreement, CDPL is the joint venture company to undertake the Project, including among other things, the enbloc acquisition from independent third parties of the Property through a tender at an accepted tender price of S\$980,000,000 (approximately HK\$5,649,004,200) and the proposed re-development of the Property into 2 towers of 36-storey apartments (total: 376 units) with landscape deck, common basement car parks and common facilities. The Property is a prime freehold site in District 9 of a site area of 11,924.3 square meters and a plot ratio of 3.84. It is within walking distance to the Great World MRT station that is currently under construction.

MAJOR TERMS OF THE JV AGREEMENT

Shareholders and Agreed JV Proportion	:	<u>Shareholders</u>	<u>Agreed JV Proportion</u>
		GLS	40%
		Intrepid	40%
		HRPL	20%

The rights and obligations in the joint venture for the acquisition, development and dealing of the Property will be borne by the Shareholders in their respective Agreed JV Proportion above.

Purpose of CDPL : To undertake, inter alia, the completion of the acquisition of the Property, implementation of the Project, construction and management, operation and maintenance of the Property and the Project including the marketing for sale and/or lease pursuant to the terms and conditions described in the JV Agreement

Board composition	:	<u>Shareholders</u>	<u>No. of directors to be nominated</u>
		GLS	2
		Intrepid	2
		HRPL	1

Pre-emptive rights : No Shareholder shall transfer shares held by it in CDPL, or otherwise sell, dispose of or deal with such shares except with the prior written consents of the board of directors of CDPL pursuant to the terms of the JV Agreement

FUNDING COMMITMENT AND FINANCING OF THE PROJECT

Pursuant to the JV Agreement, the Shareholders undertake to fund the Project by way of subscription to the share capital and provision of shareholders' loans to CDPL in proportion to the respective Agreed JV Proportion. Further funds and working capital for the Project may be provided by external loans from banks, financial institutions or other third parties. In the event that any guarantees or other securities are required for the purpose of external security financing for CDPL, the Shareholders shall provide the necessary guarantees and securities severally according to the Agreed JV Proportion.

The Shareholders have committed to the provision of aggregate funding of S\$357,978,331 (approximately HK\$2,063,490,914) to CDPL in the form of paid up share capital of S\$4,000,000 (approximately HK\$23,057,160) and shareholders' loans of S\$353,978,331 (approximately HK\$2,040,433,754) according to the respective Agreed JV Proportion. The total funding commitment of GLS is S\$143,191,332 (approximately HK\$825,396,363) comprising share capital of S\$1,600,000 (approximately HK\$9,222,864) and a shareholder's loan of S\$141,591,332 (approximately HK\$816,173,499).

CDPL has obtained external bank financing of approximately S\$854 million (approximately HK\$4,923 million) to fund the balance acquisition price of the Property and the redevelopment costs. The Shareholders have not given any guarantee and/or other security as part of or in connection with the aforesaid external bank financing.

The terms of the JV Agreement and the amounts of funding commitment were determined after arm's length negotiations among the Shareholders based on normal commercial terms.

RATIONALE FOR THE TRANSACTION

The GuocoLand Group engages in property development and investment business with embedded operations in Singapore, China, Malaysia and Vietnam. The Transaction is carried out in the ordinary and usual course of business of the GuocoLand Group. HLHL is a well-established property development and investment company in Singapore. It allows GuocoLand Group to participate in the Project with a lower funding commitment, so as to reserve more working capital for other investment opportunities. The Board (including the independent non-executive directors) considers that the terms of the JV Agreement are on normal commercial terms, and not less favourable than the terms of other joint ventures with independent property developers, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Intrepid is a wholly-owned subsidiary of HLHL which is in turn a subsidiary of HLIL and HRPL is also a subsidiary of HLIL. As HLIL is a deemed substantial shareholder of the Company, Intrepid and HRPL are associates of a connected person of the Company as defined under Chapter 14A of the Listing Rules. The Transaction therefore constitutes a connected transaction of the Company. The Transaction is entered into on a separate basis and is independent of other joint venture projects between the GuocoLand Group and HLIL group companies. The applicable percentage ratios of the Transaction exceed 0.1% but are less than 5%. The applicable percentage ratios of the Transaction aggregating with other joint venture property transactions entered into with HLIL group companies in the past 12 months also exceed 0.1% but are less than 5%. The Transaction is only 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, directors of the Company, are also shareholders of HLHL and HRPL. While they are not considered as having a 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, INTREPID AND HRPL

The Company is an investment holding and management company with operations and investments principally located in Asia and Europe. Its subsidiaries and associated companies are primarily involved in principal investment, property development and investment, hospitality and leisure operations and financial services.

Intrepid is a wholly-owned subsidiary of HLHL which is in turn a subsidiary of HLIL. HRPL is also a subsidiary of HLIL. HLHL is a privately-held property development and investment company in Singapore.

DEFINITIONS

"Agreed JV Proportion" in relation to Intrepid, GLS and HRPL, the following agreed shareholding proportions in CDPL:

<u>Shareholders</u>	<u>Agreed JV Proportion</u>
GLS	40%
Intrepid	40%
HRPL	20%

"Board" the board of directors of the Company

"CDPL" Carmel Development Pte. Ltd., a company incorporated in Singapore with limited liability, the joint venture project company under the JV Agreement

“Company”	Guoco Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 53)
“GLS”	GuocoLand (Singapore) Pte. Ltd., a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of GuocoLand
“GuocoLand”	GuocoLand Limited, a company incorporated in Singapore with limited liability and a 66.8% owned subsidiary of the Company listed on SGX-ST
“GuocoLand Group”	GuocoLand and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region
“HLHL”	Hong Leong Holdings Ltd., a company incorporated in Singapore with limited liability and a subsidiary of HLIL
“HLIL”	Hong Leong Investment Holdings Pte. Ltd., a company incorporated in Singapore with limited liability and a deemed substantial shareholder of the Company
“HRPL”	Hong Realty (Private) Limited, a company incorporated in Singapore with limited liability and a subsidiary of HLIL
“Intrepid”	Intrepid Investments Pte. Ltd., a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of HLHL
“JV Agreement”	the joint venture agreement dated 27 December 2019 entered into among the Parties relating to the Project
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Party(ies)”	Party(ies) to the JV Agreement
“Project”	the acquisition and re-development of the Property, and the management, sales, marketing and leasing (if permitted by laws) of the re-developed units and components on the Property
“Property”	all that piece of freehold land with a plot ratio of 3.84 comprised in Lot 933L of Town Subdivision No. 21 and situated at 8, 16, 24 and 32 River Valley Close, Pacific Mansions, Singapore with a site area of 11,924.3 square meters together with all the building or buildings erected or to be erected thereon
“S\$”	Singapore dollars, the lawful currency of Singapore
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shareholders”	GLS, Intrepid and HRPL and any other person holding shares in the capital of CDPL, and “Shareholder” means any one of them

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the entering into of the JV Agreement by the Parties and the transactions contemplated thereunder
“%”	per cent

Note:

The exchange rate of S\$:HK\$ as referred to in this announcement is S\$1:HK\$5.76429 as at 30 December 2019 and is for reference only.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 30 December 2019

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. Kwek Leng San as Non-executive Director and Mr. Roderic N. A. Sage, Mr. David Michael Norman and Mr. Huang Lester Garson, SBS, J.P. as Independent Non-executive Directors.