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

**Connected Transaction  
Joint Venture Agreements  
for a Property Project in Singapore  
- Land Parcel at Tan Quee Lan Street**

On 27 December 2019, GLL D, an indirect wholly-owned subsidiary of GuocoLand, the Company's 66.8% owned subsidiary listed on SGX-ST, has entered into the JV Agreements with Intrepid, HRPL and, the respective project companies, namely, MTG Apartments and MTG Retail whereby the Shareholders agreed to jointly participate in the acquisition and development of the Land in the Agreed JV Proportion.

Pursuant to the JV Agreements, MTG Apartments and MTG Retail are joint venture project companies to undertake the Project, including among other things, the completion of the acquisition of the Land and the proposed development of the Land into a luxury condominium with commercial at the first storey. The total funding commitment of GLL D is S\$169,997,115 (approximately HK\$979,912,670).

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, GLL D, an indirect wholly-owned subsidiary of GuocoLand, the Company's 66.8% owned subsidiary listed on SGX-ST, has entered into the JV Agreements with Intrepid, HRPL and, the respective project companies, namely, MTG Apartments and MTG Retail whereby the Shareholders agreed to jointly participate in the acquisition and development of the Land in the Agreed JV Proportion. The shareholding proportion of MTG Apartments and MTG Retail is the same as the Agreed JV Proportion.

Pursuant to the JV Agreements, MTG Apartments and MTG Retail, as the approved developers of the Land, are the joint venture companies to undertake the Project, including among other things, the completion of acquisition of the Land and proposed development of the Land into a luxury condominium with commercial at the first storey. The Land is situated at Tan Quee Lan Street in District 7 of Singapore and was awarded by the Urban Redevelopment Authority of Singapore to the Shareholders through a tender at the price of S\$800,190,000 (approximately HK\$4,612,527,215). MTG Apartments shall be responsible for the development of the residential component and MTG Retail shall be responsible for the development of the commercial component of the Project.

## MAJOR TERMS OF THE JV AGREEMENTS

Shareholders and Agreed JV Proportion	:	<u>Shareholders</u>	<u>Agreed JV Proportion</u>
		GLL D	60%
		Intrepid	30%
		HRPL	10%

The rights and obligations in the joint venture for the acquisition of the Land, development and dealing of the property erected thereon will be borne by the Parties in their respective Agreed JV Proportion above.

Purposes of MTG Apartments and MTG Retail : To undertake, inter alia, the completion of the acquisition of the Land, implementation of the Project, construction and management, operation and maintenance of the Project including the marketing for sale and/or lease pursuant to the terms and conditions described in the JV Agreements

Composition of board of directors of MTG Apartments / MTG Retail	:	<u>Shareholders</u>	<u>No. of directors to be nominated</u>
		GLL D	3
		Intrepid	1
		HRPL*	1

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

\* In the case of HRPL, so long as the combined shareholding percentage of Intrepid and HRPL is at least 40%, and Intrepid holds a shareholding percentage of at least 20%, HRPL shall be entitled to appoint 1 person to serve as director of the board of MTG Apartments/MTG Retail.

## FUNDING COMMITMENT AND FINANCING OF THE PROJECT

Pursuant to the JV Agreements, the Shareholders undertake to fund the Project by way of subscription to the share capital of MTG Apartments and MTG Retail and provision of shareholders' loans to each of the MTG Apartments and MTG Retail 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 MTG Apartments and MTG Retail, 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\$269,854,200 (approximately HK\$1,555,517,866) and S\$13,474,325 (approximately HK\$77,669,917) to MTG Apartments and MTG Retail respectively in the form of paid up share capital of S\$8,000,000 (approximately HK\$46,114,320) and shareholders' loans of S\$275,328,525 (approximately HK\$1,587,073,463) according to the Agreed JV Proportion. The total funding commitment of GLL D is S\$169,997,115 (approximately HK\$979,912,670), comprising S\$161,912,520 (approximately HK\$933,310,720 for MTG Apartments in the form of share capital of S\$2,400,000 (approximately HK\$13,834,296) and a shareholders' loan of S\$159,512,520 (approximately HK\$919,476,424) and S\$8,084,595 (approximately HK\$46,601,950) for MTG Retail in the form of share capital of S\$2,400,000 (approximately HK\$13,834,296) and a shareholder's loan of S\$5,684,595 (approximately HK\$32,767,654).

MTG Apartments and MTG Retail will obtain external bank financing of approximately S\$730 million (approximately HK\$4,208 million) to fund the balance of the acquisition price of the Land and the development costs of the Project. No guarantee and/or other security is to be provided by the Shareholders as part of or in connection with the aforesaid external bank financing.

The respective terms of the JV Agreements 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 GuocoLand. HLHL is a well-established property development and investment company in Singapore. The Transaction allows the GuocoLand Group to participate in the Project with a lower funding commitment and yet maintain majority control over the Project and at the same time to reserve more working capital for other investment opportunities. The Board (including the independent non-executive directors) considers that the respective terms of the JV Agreements are on normal commercial terms, 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 GLL D, Intrepid and HRPL, the following agreed shareholding proportions in each of MTG Apartments and MTG Retail:

<u>Shareholders</u>	<u>Agreed JV Proportion</u>
GLL D	60%
Intrepid	30%
HRPL	10%

“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 (Stock Code: 53)

“GLL D” GLL D Pte. Ltd., a company incorporated in Singapore with limited liability and an indirect 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 Agreements” the joint venture agreements dated 27 December 2019 entered into among the Parties respectively relating to MTG Apartments and MTG Retail

“Land” all that parcel of land TS12-01062X and situated at Tan Quee Lan Street of Singapore with a site area of 11,530.8 square metres

“Listing Rules” the Rules Governing the Listing of Securities on the Stock Exchange

“MTG Apartments” MTG Apartments Pte. Ltd., a company incorporated in Singapore with limited liability, the joint venture project company under the JV Agreement to undertake the development of the residential component of the Project

“MTG Retail”	MTG Retail Pte. Ltd., a company incorporated in Singapore with limited liability, the joint venture project company under the JV Agreement to undertake the development of the commercial component of the Project
“Party(ies)”	Party(ies) to each of the JV Agreements
“Project”	the acquisition and development of the Land, and the management, sales, marketing of residential units and leasing of the commercial units erected thereon
“S\$”	Singapore dollars, the lawful currency of Singapore
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shareholder(s)”	GLL D, Intrepid and HRPL and any other person holding shares in the capital of MTG Apartments and MTG Retail, and “Shareholder” means any one of them
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the entering into of the JV Agreements 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, JP as Independent Non-executive Directors.*