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

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

Please refer to the attached announcement on the next page.

The board of directors of Guoco Group Limited currently comprises Mr. Quek Leng Chan as Executive Chairman; Mr. Kwek Leng Hai as President, CEO; Mr. Tan Lim Heng and Mr. Ding Wai Chuen as executive directors; Mr. Kwek Leng San as non-executive director and Mr. Sat Pal Khattar, Mr. Volker Stoeckel and Mr. Roderic N. A. Sage as independent non-executive directors.

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Miscellaneous	
* Asterisks denote mandatory information	
Name of Announcer *	GUOCOLAND LIMITED
Company Registration No.	197600660W
Announcement submitted on behalf of	GUOCOLAND LIMITED
Announcement is submitted with respect to *	GUOCOLAND LIMITED
Announcement is submitted by *	Dawn Pamela Lum
Designation *	Group Company Secretary
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[>> Announcement Details](#)
 The details of the announcement start here ...

Announcement Title * PROPOSED RENOUNCEABLE RIGHTS ISSUE OF SHARES TO RAISE GROSS PROCEEDS OF APPROXIMATELY S\$532.5 MILLION

Description

Attachments

 [Announcement-270810.pdf](#)
 Total size = **41K**
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PROPOSED RENOUNCEABLE RIGHTS ISSUE OF SHARES TO RAISE GROSS PROCEEDS OF APPROXIMATELY S\$532.5 MILLION

1. OVERVIEW

The Board of Directors (the “**Directors**”) of GuocoLand Limited (the “**Company**”) wishes to announce that the Company proposes a renounceable rights issue by the Company (the “**Rights Issue**”) of 295,843,319 new ordinary shares in the capital of the Company (the “**Rights Shares**”) to raise gross proceeds of approximately S\$532.5 million.

The Company is raising capital as part of its strategic initiative to strengthen its balance sheet and enhance the financial flexibility of the Company and its subsidiaries (collectively, the “**GLL Group**”). This will enable the GLL Group to pursue attractive opportunities for its business in the countries in which it operates.

To demonstrate a strong commitment to and support for its subsidiary, Guoco Group Limited (“**GGL**”), a controlling shareholder of the Company, has undertaken to the Company that it will subscribe for its pro-rata entitlement of Rights Shares as well as any other Rights Shares which are not taken up by the other shareholders of the Company (the “**Shareholders**”). Hence, the Rights Issue will be subscribed in full.

2. PROPOSED PRINCIPAL TERMS OF THE RIGHTS ISSUE

2.1 The Issue Price

Pursuant to the Rights Issue, 295,843,319 Rights Shares will be offered at an issue price of S\$1.80 for each Rights Share (the “**Issue Price**”), on the basis of one (1) Rights Share for every three (3) existing ordinary shares in the capital of the Company (the “**Shares**”) held as at a books closure date to be determined by the Directors (the “**Books Closure Date**”), fractional entitlements to be disregarded.

The Issue Price represents a discount of approximately 15.9% to the last transacted price of S\$2.14 per Share on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 26 August 2010, being the last trading day immediately prior to the date of this Announcement.

2.2 Eligibility of Shareholders to Participate in the Rights Issue

The Rights Issue is proposed to be offered on a renounceable basis to Shareholders whose registered addresses with the Company or The Central Depository (Pte) Limited (“**CDP**”), as the case may be, are in Singapore as at the Books Closure Date, or who have, at least five (5) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Entitled Shareholders**”). Fractional entitlements to the Rights Shares will be disregarded and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit.

For practical reasons and in order to avoid any violation of legislation applicable in countries other than Singapore, the Rights Shares will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least five (5) market days prior thereto, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”). If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the

provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders to be sold “nil paid” on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence and the net proceeds arising therefrom will be dealt with in accordance with the terms set out in the offer information statement (the “**Offer Information Statement**”) to be issued by the Company in connection with the Rights Issue.

Entitled Shareholders will be at liberty to accept, decline or otherwise renounce or trade their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

2.3 **Status of Rights Shares**

The Rights Shares will be payable in full upon acceptance and application, and when allotted and issued, will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the record date for which falls on or after the date of issue of the Rights Shares. For this purpose, “**record date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered in order to participate in such dividends, rights, allotments or other distributions.

2.4 **Size of the Rights Issue**

Based on the total number of issued Shares* as at the date of this Announcement, 295,843,319 Rights Shares will be issued pursuant to the Rights Issue, assuming that the Rights Issue is fully subscribed.

As at the date of this Announcement, there are 32,436,750 outstanding share options (the “**Share Options**”) granted under the GuocoLand Limited Executives’ Share Option Scheme 2008 (the “**ESOS 2008**”). Pursuant to the rules of the ESOS 2008, the exercise of Share Options may be satisfied by the Company through the issue of new Shares or the transfer of existing Shares, or a combination of both new Shares and existing Shares. As at the date of this Announcement, a trust established by the Company in connection with the ESOS 2008 (the “**ESOS Trust**”) holds 55,203,700 existing Shares for the purpose of the ESOS 2008. In the event any of the outstanding Share Options are vested and exercised by the holders thereof before the Books Closure Date, the Company is able and intends to satisfy the exercise of such Share Options through the transfer of existing Shares held by the ESOS Trust. Accordingly, the exercise of Share Options, if any, before the Books Closure Date will not affect the number of Rights Shares to be issued.

In addition, as at the date of this Announcement, the Company has outstanding unsecured convertible bonds due 2012 (the “**Convertible Bonds**”) of an aggregate principal amount of approximately S\$352.2 million, which are convertible into 63,954,966 new Shares at the conversion price of S\$5.507 per new Share at the option of the holders of the Convertible Bonds. In view of the current prevailing market price of the Shares trading on the SGX-ST, it is assumed that none of the Convertible Bonds will be converted on or before the Books Closure Date and the Company has not, as at the date of this Announcement, received any notice of conversion for any of the Convertible Bonds.

Appropriate adjustments, if any, will be made to the Share Options and the Convertible Bonds to take into account the effects of the Rights Issue. Details of such adjustments, if any, to the Share Options will be communicated separately to the holders of the Share Options, and the Company will announce any adjustments to the Convertible Bonds, in accordance with their respective terms and conditions, in due course.

* Unless otherwise stated, all references in this Announcement to the “total number of issued Shares” are based on 887,529,957 issued Shares as at the date of this Announcement.

2.5 Terms and conditions of the Rights Issue

Full details of the terms and conditions of the Rights Issue will be contained in the Offer Information Statement to be despatched by the Company to the Entitled Shareholders in due course.

3. UNDERTAKING BY GGL

As at the date of this Announcement, GGL through its wholly-owned subsidiary, GuocoLand Assets Pte. Ltd. (“**GAPL**”) has an interest in 579,024,320 Shares, representing approximately 65.24% of the total number of issued Shares.

In demonstrating its commitment to the Company, GGL has irrevocably and unconditionally undertaken to the Company to, *inter alia*, subscribe and pay for (or procure subscription and payment for) in accordance with the terms of the Rights Issue, at the Issue Price:

- (a) the Rights Shares to be provisionally allotted to GAPL under the Rights Issue on the basis of its holdings in the Company as at the Books Closure Date (“**GGL’s Entitlement**”); and
- (b) by way of excess application, all the Rights Shares less GGL’s Entitlement which are not taken up by the other Shareholders or their renounees,

(collectively, “**GGL’s Undertaking**”).

In view of GGL’s Undertaking, the Rights Issue will not be underwritten by any financial institution.

4. USE OF PROCEEDS FROM THE RIGHTS ISSUE

As the Rights Issue will be fully subscribed (in view of GGL’s Undertaking), the estimated net proceeds from the Rights Issue (after deducting estimated expenses in connection with the Rights Issue) is expected to be approximately S\$532 million.

The Company intends to use the net proceeds of the Rights Issue:

- (a) to fund potential acquisitions of the GLL Group in countries where the GLL Group operates;
- (b) to reduce bank borrowings and strengthen the Company’s balance sheet; and
- (c) for other general corporate and working capital purposes.

Pending the deployment of the proceeds for the purposes mentioned above, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.

5. CERTAIN FINANCIAL EFFECTS OF THE RIGHTS ISSUE

Based on the audited financial statements of the GLL Group for the financial year ended 30 June 2010, the gearing of the GLL Group was 0.97 times and the net tangible assets (“**NTA**”) per Share was S\$2.42 as at 30 June 2010. For illustrative purposes only, after adjusting for the estimated net proceeds of the Rights Issue, the proforma gearing of the GLL Group is expected to improve to 0.58 times and the NTA per Share is expected to decrease to S\$2.26, assuming that the Rights Issue is fully subscribed (in view of GGL’s Undertaking).

6. APPROVALS FOR THE RIGHTS ISSUE

The Rights Issue is subject to, *inter alia*:

- (a) the approval of the Shareholders at an extraordinary general meeting (“**EGM**”) of the Company to be convened;
- (b) the in-principle approval of the SGX-ST for the listing of and quotation for the Rights Shares on the SGX-ST; and
- (c) the lodgement of the Offer Information Statement with the Monetary Authority of Singapore.

GGL has undertaken to vote, and to procure the voting by GAPL, in respect of all the Shares that GGL has an interest in, in favour of all resolutions to be proposed at the EGM to approve the Rights Issue.

7. CIRCULAR

The Company will be convening an EGM to seek Shareholders’ approval for the Rights Issue and a circular for this purpose will be despatched by the Company to Shareholders in due course.

BY ORDER OF THE
BOARD OF DIRECTORS

Dawn Pamela Lum
Group Company Secretary

27 August 2010

Submitted by Dawn Pamela Lum, Group Company Secretary on 27/08/2010 to the SGX-ST.