

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Connected Transactions
– **Proposed Acquisitions of PJ City Development Sdn Bhd
and PJ Corporate Park Sdn Bhd by GuocoLand (Malaysia) Berhad**

On 8 November 2011, GLM has entered into the PJ City SSA and the PJ Corp SSA with GASB and MPIH respectively in connection with the Proposed PJ City Acquisition and the Proposed PJ Corp Acquisition.

As at the date of the Agreements, each of GASB and MPIH is an associate of connected persons (as defined under the Listing Rules) of Guoco by virtue of the fact that they are subsidiaries of HLCM, the ultimate holding company of Guoco. Mr. Quek Leng Chan, the Executive Chairman of Guoco, is a deemed controlling shareholder of Guoco and HLCM. The Proposed Acquisitions constitute connected transactions for Guoco under the Listing Rules.

Since the applicable percentage ratios under the Listing Rules in respect of the Proposed PJ City Acquisition on its own and when aggregated with the Proposed PJ Corp Acquisition exceed 0.1% but less than 5%, the Proposed Acquisitions are only subject to the announcement requirements under Chapter 14A of the Listing Rules and do not require the approval by independent shareholders of Guoco. Details of such transactions will be included in Guoco's next published annual report and accounts in compliance with Rule 14A.45 of the Listing Rules.

INTRODUCTION

GLM has entered into the PJ City SSA and the PJ Corp SSA with GASB and MPIH respectively in connection with the Proposed PJ City Acquisition and the Proposed PJ Corp Acquisition.

THE PJ CITY SSA

Date

8 November 2011

Parties

GASB as the seller
GLM as the purchaser

PJ City Sale Shares

5,000,002 ordinary shares of RM1.00 each in PJ City, being the total issued and paid up capital of PJ City.

Purchase Consideration

The purchase consideration for the PJ City Sale Shares is RM29,785,000 (approximately HK\$73,910,000). GASB's original cost of investment in PJ City is RM5,000,002 (approximately HK\$12,407,000) made up to 29 March 1993.

The purchase consideration for the Proposed PJ City Acquisition was arrived at on a willing buyer-willing seller basis, taking into consideration the net tangible assets of PJ City of RM8.770 million (approximately HK\$21.762 million) as at 31 October 2011 and after adjusting for the market value of the Lands (excluding the commercial buildings owned by HLB and HLA), as valued by Messrs. CB Richard Ellis (Malaysia) Sdn Bhd at RM69.1 million (approximately HK\$171.5 million), using the residual method for the Commercial Land and the comparison method for the Industrial Land vide its valuation report dated 31 October 2011. The purchase consideration for the Proposed PJ City Acquisition represents a discount of approximately 9.28% to the adjusted net tangible assets of PJ City as at 31 October 2011 of RM32.833 million (approximately HK\$81.474 million).

The purchase consideration for the Proposed PJ City Acquisition will be financed wholly from borrowings. It shall be paid by GLM to GASB in the following manner:

- (i) a sum of RM2,978,500 (approximately HK\$7,391,000) shall be paid by GLM to GASB upon the execution of the PJ City SSA;
- (ii) a sum of RM26,806,500 (approximately HK\$66,519,000) shall be paid at the PJ City Completion Date. If GLM pays the balance purchase consideration or any part thereof during the PJ City Extension Period, GLM shall pay to GASB interest at the rate of 8% per annum of the balance purchase consideration or the unpaid balance thereof calculated on a daily basis from the commencement of the PJ City Extension Period until the date of full settlement of the balance purchase consideration.

Conditions Precedent

- (i) The PJ City SSA is conditional upon all of the following conditions precedent being fulfilled and/or obtained within the PJ City Conditional Period:
 - GLM's shareholders' approval at a general meeting;
 - GASB's shareholders' approval at a general meeting; and
 - the fulfillment of all conditions precedent in the PJ Corp SSA.
- (ii) The parties may, where permitted by law, mutually agree to waive any or all of the conditions precedent.
- (iii) If any of the conditions precedent is not fulfilled on the last day of the PJ City Conditional Period, then any of the parties hereto may at any time thereafter terminate the PJ City SSA by 14 days' written notice to the other party.
- (iv) The PJ City SSA shall be regarded as unconditional on the date that the last of all conditions precedent (if not waived) are fulfilled.

Completion

Completion of the sale and purchase of the PJ City Sale Shares shall take place on the PJ City Completion Date.

THE PJ CORP SSA

Date

8 November 2011

Parties

MPIH as the seller
GLM as the purchaser

PJ Corp Sale Shares

20,000,000 ordinary shares of RM1.00 each in PJ Corp, being the total issued and paid up capital of PJ Corp.

Purchase Consideration

The purchase consideration for the PJ Corp Sale Shares is RM258,000 (approximately HK\$640,000). MPIH's original cost of investment in PJ Corp was RM265,000 (approximately HK\$658,000) made on 4 May 2011.

The purchase consideration for the Proposed PJ Corp Acquisition was arrived at on a willing buyer-willing seller basis, after taking into consideration the net tangible assets of PJ Corp of RM258,375 (approximately HK\$641,000) as at 31 October 2011. No independent valuation on the 2 units of low-cost house owned by PJ Corp was undertaken.

The purchase consideration for the Proposed PJ Corp Acquisition will be financed wholly from borrowings. It shall be paid by GLM to MPIH in the following manner:

- (i) a sum of RM25,800 (approximately HK\$64,000) shall be paid by GLM to MPIH upon the execution of the PJ Corp SSA;
- (ii) a sum of RM232,200 (approximately HK\$576,000) shall be paid at the PJ Corp Completion Date. If GLM pays the balance purchase consideration or any part thereof during the PJ Corp Extension Period, GLM shall pay to MPIH interest at the rate of 8% per annum of the balance purchase consideration or the unpaid balance thereof calculated on a daily basis from the commencement of the PJ Corp Extension Period until the date of full settlement of the balance purchase consideration.

Conditions Precedent

- (i) The PJ Corp SSA is conditional upon all of the following conditions precedent being fulfilled and/or obtained within the PJ Corp Conditional Period:
 - GLM's shareholders' approval at a general meeting;
 - MPIH's shareholders' approval at a general meeting; and
 - the fulfillment of all conditions precedent in the PJ City SSA.
- (ii) The parties may, where permitted by law, mutually agree to waive any or all of the conditions precedent.
- (iii) If any of the conditions precedent is not fulfilled on the last day of the PJ Corp Conditional Period, then any of the parties hereto may at any time thereafter terminate the PJ Corp SSA by 14 days' written notice to the other party.

- (iv) The PJ Corp SSA shall be regarded as unconditional on the date that the last of all conditions precedent (if not waived) are fulfilled.

Completion

Completion of the sale and purchase of the PJ Corp Sale Shares shall take place on the PJ Corp Completion Date.

INTER-DEPENDENCE OF PJ CITY SSA AND PJ CORP SSA

The parties agree that the PJ City SSA and the PJ Corp SSA shall be completed concurrently. In the event that one of the Agreements is terminated or cannot be completed on the relevant completion date, the other Agreement shall also be terminated, provided always that:

- (i) if the Agreement is terminated or cannot be completed due to the default of GASB or MPIH (as the case may be), the other Agreement shall only be terminated at the sole and absolute discretion of GLM; and
- (ii) if the Agreement is terminated or cannot be completed due to the default of GLM, the other Agreement shall only be terminated at the sole and absolute discretion of GASB or MPIH (as the case may be).

INFORMATION ON PJ CITY

The audited net profits before tax of PJ City for the years ended 30 June 2011 and 30 June 2010 were approximately RM6.3 million (approximately HK\$15.6 million) and RM1.5 million (approximately HK\$3.7 million) respectively. The audited net profits after tax of PJ City for the years ended 30 June 2011 and 30 June 2010 were approximately RM4.8 million (approximately HK\$11.9 million) and RM1.2 million (approximately HK\$3.0 million) respectively.

PJ City is the beneficial owner of the Lands, located within Section 51A, Petaling Jaya next to the Federal Highway at approximately 2 kilometres south-west of the city centre of Petaling Jaya and 12 kilometres south-west of the city centre of Kuala Lumpur. Details of the Lands are as follows:

	Commercial Land ^(Note 1)	Industrial Land ^(Note 3)
Title and Lot No.	PN91908 Lot 13507, Seksyen 32, Bandar Petaling Jaya, Daerah Petaling	PN91909 Lot 13508, Seksyen 32, Bandar Petaling Jaya, Daerah Petaling
Land use	Building	Industrial
Land area	Total: 7.920 acres Vacant: Approximately 3.0 acres	Total: 7.757 acres Vacant: 7.757 acres
Total audited net book value as at 30 June 2011 ^(Note 2)	RM36.836 million (approximately HK\$91.407 million)	
Tenure	99-year leasehold interest expiring on 12 December 2107	
Restriction-in-interest	The Lands held under the titles can be transferred, leased or charged upon obtaining the approval from the State Authority of Selangor, Malaysia.	
Encumbrances	The Lands are free from encumbrances.	

Notes:

1. A development order had been obtained by PJ City to develop the Commercial Land measuring 7.920 acres into 6 blocks of office buildings with basement car parks. Currently, PJ City has completed 2 blocks of 6-storey

commercial buildings with 2 levels of basement car parks and a food court on the Commercial Land. The 2 blocks of completed office building had been sold to HLB and HLA. The food court and open air car park on the front of the Commercial Land are currently let out for a total monthly rental income of RM14,000 (approximately HK\$35,000). The rear portion of the Commercial Land, earmarked for development of the remaining 4 blocks of office building and measuring approximately 3.0 acres, is currently vacant.

2. Excludes the 2 blocks of completed office buildings already sold to HLB and HLA.
3. The Industrial Land lies next to the Commercial Land and enjoys direct frontage/access from Jalan 225. Presently, the site is partly used as an open car park and also tenanted for a cement plant, generating a total monthly rental income of RM36,000 (approximately HK\$89,000). PJ City has submitted applications to the relevant authorities for a development order and building plan to build corporate factories on the Industrial Land.

INFORMATION ON PJ CORP

The audited net loss before tax and after tax of PJ Corp for the year ended 30 June 2011 were approximately RM10,000 (approximately HK\$25,000) and its audited net profit before tax and after tax for the year ended 30 June 2010 were approximately RM176,000 (approximately HK\$437,000).

PJ Corp is the registered proprietor of the Lands. Pursuant to a sale and purchase agreement dated 10 September 2004, PJ Corp sold the Lands to PJ City. Pursuant to a deed of trust dated 10 September 2004, PJ Corp is currently holding the Lands as bare trustee for PJ City, and pursuant to a power of attorney dated 10 September 2004, PJ City has powers to deal with the Lands.

PJ Corp owns 2 units of low-cost house located in Masai, Johor of Malaysia. These houses are residual units from a housing development project undertaken by PJ Corp in the 1980s. The total audited net book value of these 2 low-cost houses as at 30 June 2011 was RM44,000 (approximately HK\$109,000).

RATIONALE

Being a property developer, the GLM Group from time to time acquires lands for future developments. The Proposed Acquisitions will enable the GLM Group to increase its land banks for future development.

The strategic location of the Lands gives the development site good exposure with convenient access, well-planned amenities within the nearby vicinities and large catchment of skilled worker within the neighbouring townships, thereby positioning it as an ideal hub for smart and vibrant businesses and industries.

Taking into consideration the above factors and barring any unforeseen circumstances, the Proposed Acquisitions are expected to contribute to the profitability of the GLM Group with the launch of the proposed development on the Lands in the near future.

The Board (including the independent non-executive directors) considers that the Agreements are of normal commercial terms, and the terms and conditions of the Agreements are fair and reasonable and in the interests of Guoco and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of the Agreements, each of GASB and MPIH is an associate of connected persons (as defined under the Listing Rules) of Guoco by virtue of the fact that they are subsidiaries of HLCM, the ultimate holding company of Guoco. Mr. Quek Leng Chan, the Executive Chairman of Guoco, is a deemed controlling shareholder of Guoco and HLCM. The Proposed Acquisitions constitute connected transactions for Guoco under the Listing Rules. Mr. Quek has abstained from voting on the relevant board resolutions approving the Agreements.

Since the applicable percentage ratios under the Listing Rules in respect of the Proposed PJ City Acquisition on its own and when aggregated with the Proposed PJ Corp Acquisition exceed 0.1% but less than 5%, the Proposed Acquisitions are only subject to the announcement requirements under Chapter 14A of the Listing Rules and do not require the approval by independent shareholders of Guoco. Details of such transactions will be included in Guoco's next published annual report and accounts in compliance with Rule 14A.45 of 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 principal activities of GLM are investment holding and provision of management services. The principal activities of its subsidiaries are property development, property investment, hotel operations, investment holding, trading in securities and provision of management services. The GLM Group's operations are substantially carried out in Malaysia.

Both GASB and MPIH are subsidiaries of HLCM and investment holding companies.

HLCM is the ultimate holding company of Guoco, GLM, GASB and MPIH.

As at the date of this announcement, the Board comprises Mr. Quek Leng Chan as Executive Chairman; Mr. Kwek Leng Hai as President and 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.

(For reference only, the exchange rate of RM:HK\$ as referred to in this announcement is RM1:HK\$2.48146 as at the date of this announcement.)

DEFINITIONS

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

"Agreement(s)"	either PJ City SSA or PJ Corp SSA (collectively the "Agreements")
"Board"	the board of directors of the Company
"Commercial Land"	a parcel of land held under PN91908 Lot 13507, Seksyen 32, Bandar Petaling Jaya, Daerah Petaling
"Company" or "Guoco"	Guoco Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"GASB"	GuoLine Asset Sdn Bhd, a company incorporated in Malaysia and an indirect wholly owned subsidiary of HLCM
"GLM"	GuocoLand (Malaysia) Berhad, Guoco's indirect 65% controlled subsidiary whose shares are listed on Bursa Malaysia Securities Berhad

“GLM Group”	GLM and its subsidiaries from time to time
“HLA”	Hong Leong Assurance Berhad, an indirect non-wholly owned subsidiary of HLCM
“HLB”	Hong Leong Bank Berhad, an indirect non-wholly owned subsidiary of HLCM
“HLCM”	Hong Leong Company (Malaysia) Berhad, a company incorporated in Malaysia with limited liability and the ultimate holding company of Guoco
“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
“Industrial Land”	a parcel of land held under PN91909 Lot 13508, Seksyen 32, Bandar Petaling Jaya, Daerah Petaling
“Lands”	the Commercial Land and the Industrial Land
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MPIH”	MPI Holdings Sdn Bhd, a company incorporated in Malaysia and an indirect wholly owned subsidiary of HLCM
“PJ City”	PJ City Development Sdn Bhd, a company incorporated in Malaysia
“PJ City Sale Shares”	5,000,002 ordinary shares of RM 1.00 each in PJ City
“PJ City Completion Date”	the date of completion of the sale and purchase of the PJ City Sale Shares, which shall take place on the 30th day after the date on which the PJ City SSA be regarded as unconditional or such other date as may be agreed by the parties
“PJ City Conditional Period”	the period of 4 months from the date of the PJ City SSA or within such extended period as may be agreed between the parties in writing
“PJ City Extension Period”	the period commencing from the 31st day after the date on which the PJ City SSA be regarded as unconditional until the PJ City Completion Date as may be agreed by the parties.
“PJ City SSA”	a conditional share sale agreement dated 8 November 2011 entered into between GLM and GASB in relation to the Proposed PJ City Acquisition
“PJ Corp”	PJ Corporate Park Sdn Bhd, a company incorporated in Malaysia
“PJ Corp Completion Date”	the date of completion of the sale and purchase of the PJ Corp Sale Shares, which shall take place on the 30th day after the date on which the PJ Corp SSA be regarded as unconditional or such other date as may be agreed by the parties

“PJ Corp Conditional Period”	the period of 4 months from the date of the PJ Corp SSA or within such extended period as may be agreed between the parties in writing
“PJ Corp Extension Period”	the period commencing from the 31st day after the date on which the PJ Corp SSA be regarded as unconditional until the PJ Corp Completion Date as may be agreed by the parties
“PJ Corp Sale Shares”	20,000,000 ordinary shares of RM 1.00 each in PJ Corp
“PJ Corp SSA”	a conditional share sale agreement dated 8 November 2011 entered into between GLM and MPIH in relation to the Proposed PJ Corp Acquisition
“Proposed Acquisitions”	the Proposed PJ City Acquisition and the Proposed PJ Corp Acquisition
“Proposed PJ City Acquisition”	the proposed acquisition of the total issued and paid up capital of PJ City pursuant to the PJ City SSA
“Proposed PJ Corp Acquisition”	the proposed acquisition of the total issued and paid up capital of PJ Corp pursuant to the PJ Corp SSA
“RM”	Ringgit Malaysian, the lawful currency of Malaysia
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 8 November 2011