

ADDENDUM DATED 27 SEPTEMBER 2017

THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS ADDENDUM OR THE COURSE OF ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your issued and fully paid-up ordinary shares in the capital of GuocoLand Limited (the "**Company**"), you should immediately forward this Addendum, the Notice of Annual General Meeting and the Proxy Form to the purchaser or transferee, or the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, opinions expressed or reports contained in this Addendum.



A Member of the Hong Leong Group

(Incorporated in the Republic of Singapore)
Company Registration No. 197600660W

ADDENDUM IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

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DEFINITIONS

In this Addendum, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

“AGM”	:	The annual general meeting of the Company.
“Articles”	:	The Articles of Association of the Company currently in force or if so adopted and approved by the Shareholders, the new Constitution proposed to be adopted at the 2017 AGM.
“CDP”	:	The Central Depository (Pte) Limited.
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time.
“Company”	:	GuocoLand Limited.
“Directors”	:	The Directors of the Company for the time being.
“EGM”	:	Extraordinary General Meeting.
“ESOS Scheme”	:	GuocoLand Limited Executives’ Share Option Scheme, as may be amended from time to time.
“Group”	:	The Company and its subsidiaries.
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Addendum, being 30 August 2017.
“Listing Manual”	:	The listing manual of the SGX-ST, as amended or modified from time to time.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities.
“Registrar”	:	The Registrar of Companies.
“Securities Account”	:	Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent.
“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore as amended or modified from time to time.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.

DEFINITIONS

“Shareholders”	:	Registered holders for the time being of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to those Shares, mean the Depositors who have shares entered against their names in the Depository Register.
“Shares”	:	Issued ordinary shares in the capital of the Company.
“Share Purchase Mandate”	:	General mandate given by Shareholders to authorise the Directors to purchase Shares in accordance with the terms set out in this Addendum as well as the rules and regulations set forth in the Companies Act and the Listing Manual.
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers.
“\$”, “S\$” and “cents”	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore.
“%”	:	Per centum or percentage.

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the respective meanings ascribed to them in Section 81SF of the SFA.

The term “Treasury Shares” shall have the meaning ascribed to it in Section 4 of the Companies Act.

The term “subsidiary holdings” is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Addendum to any enactment is a reference to that enactment as for the time being amended, modified, extended, replaced or re-enacted. Any word or term defined under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof and not otherwise defined in this Addendum shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be.

Any reference to a time of day and date in this Addendum shall be a reference to Singapore time and date, unless otherwise stated.

LETTER TO SHAREHOLDERS

GUOCOLAND LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 197600660W

Directors

Moses Lee Kim Poo, *Independent Non-Executive Chairman*
Raymond Choong Yee How, *Group President & Chief Executive Officer*
Quek Leng Chan, *Non-Independent Non-Executive Director*
Kwek Leng Hai, *Non-Independent Non-Executive Director*
Timothy Teo Lai Wah, *Independent Non-Executive Director*
Francis Siu Wai Keung, *Independent Non-Executive Director*
Abdullah Bin Tarmugi, *Independent Non-Executive Director*
Lim Suat Jien, *Independent Non-Executive Director*
Jennie Chua Kheng Yeng, *Independent Non-Executive Director*
Tang Hong Cheong, *Non-Independent Non-Executive Director*

Registered Office

1 Wallich Street
#31-01 Guoco Tower
Singapore 078881

27 September 2017

To: The Shareholders of GuocoLand Limited

Dear Sir/Madam

1. INTRODUCTION

The Company has issued a Notice convening its AGM to be held on 19 October 2017 (“**2017 AGM**”).

Proposed Ordinary Resolution No. 8 in the Notice of the 2017 AGM relates to the proposed renewal of the Share Purchase Mandate.

The purpose of this Addendum is to provide Shareholders with relevant information relating to, and to seek the approval of Shareholders for, the proposed renewal of the Share Purchase Mandate to be tabled at the 2017 AGM.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 **Background and Shareholders’ approval.** At the last AGM of the Company held on 24 October 2016 (“**2016 AGM**”), Shareholders had approved, *inter alia*, the renewal of the Share Purchase Mandate which was first approved by Shareholders at the EGM of the Company held on 12 October 2012.

As the authority conferred pursuant to the renewal of the Share Purchase Mandate at the 2016 AGM will expire on the date of the 2017 AGM, the approval of Shareholders is being sought for the proposed renewal of the Share Purchase Mandate at the 2017 AGM.

LETTER TO SHAREHOLDERS

2.2 **Rationale for the Share Purchase Mandate.** The purchase by a company of its issued shares is one of the ways in which the return on equity of a company may be improved, thereby increasing Shareholders' value. By obtaining a Share Purchase Mandate, the Company will have the flexibility to undertake purchases of Shares, during the period when the Share Purchase Mandate is in force to achieve, in appropriate circumstances, any of the following:

- (a) enhance the earnings per Share;
- (b) manage the Company's capital structure, dividend payout and cash reserves; and/or
- (c) return surplus cash in excess of the Group's capital requirements, if any, in an expedient and cost-effective manner.

The Directors will decide whether to effect the share purchases after taking into account, *inter alia*, the amount of surplus cash available, the financial position of the Group and the prevailing market conditions. The Directors do not propose to carry out purchases pursuant to the Share Purchase Mandate to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company and the Group.

2.3 **Authority and limits of the Share Purchase Mandate.** The authority and limitations placed on purchases of Shares by the Company under the proposed Share Purchase Mandate are summarised below:

2.3.1 Maximum number of Shares

The proposed Share Purchase Mandate, when granted, will authorise the Company, from time to time, to purchase such number of Shares, either through Market Purchases or Off-Market Purchases, which represent up to a maximum of 10% of the total number of issued Shares as at the date of the 2017 AGM at which the renewal of the Share Purchase Mandate is approved. Treasury shares and subsidiary holdings will be disregarded for the purposes of computing the 10% limit. As at the Latest Practicable Date, the Company had no treasury shares and no subsidiary holdings.

2.3.2 Duration of authority

Purchases of Shares may be made, at any time and from time to time, by the Company from the date of the 2017 AGM at which the renewal of the Share Purchase Mandate is approved up to the earlier of:

- (a) the date on which the next AGM of the Company is held or required by law to be held;
- (b) the date on which the share purchases are carried out to the full extent mandated; or
- (c) the date when such mandate is revoked or varied by the Shareholders of the Company in a general meeting.

The Share Purchase Mandate may be renewed at each AGM or other general meeting of the Company.

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2.3.3 Manner of purchases of Shares

Purchases of Shares may be effected by the Company by way of:

- (a) on-market purchases on the SGX-ST (“**Market Purchases**”); and/or
- (b) off-market purchases in accordance with an “equal access scheme” as defined in Section 76C of the Companies Act (“**Off-Market Purchases**”).

Market Purchases refer to purchases of Shares by the Company transacted on the SGX-ST, and through one or more duly licenced stockbrokers appointed by the Company for the purpose.

In an Off-Market Purchase, the Directors may impose such terms and conditions, which are not inconsistent with the proposed renewal of the Share Purchase Mandate, the Listing Manual, the Companies Act and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

An equal access scheme must, however, satisfy the following conditions:

- (i) offers for the purchase of Shares shall be made to every person who holds Shares to purchase the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers are the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements, (2) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Under the Listing Manual, for Off-Market Purchases, the Company will issue an offer document which must contain, *inter alia*, the following information to all Shareholders:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed Share purchase;
- (4) the consequences, if any, of Share purchases by the Company that will arise under the Take-over Code or other applicable takeover rules;
- (5) whether the Share purchase, if made, will have any effect on the listing of the Shares on the SGX-ST;

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- (6) details of any Share purchases made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and
- (7) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum purchase price

The purchase price to be paid for the Shares will be determined by the Directors, provided that such purchase price must not exceed the maximum price ("**Maximum Price**") as set out below:

- (a) in the case of a Market Purchase, 5% above the average of the closing market prices of the Shares over the last 5 Market Days, on which transactions in the Shares were recorded, before the day on which the Market Purchase is made by the Company, and deemed to be adjusted for any corporate action that occurs after the relevant 5 Market Days period; and
- (b) in the case of an Off-Market Purchase, 20% above the average of the closing market prices of the Shares over the 5 Market Days, on which transactions in the Shares were recorded, before the day on which the Company announces its intention to make an offer for an Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5 Market Days period, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase,

in either case, excluding related expenses of the purchase.

2.4 **Status of purchased Shares.** A Share which is purchased by the Company is deemed cancelled immediately on purchase (and all rights and privileges attached to that Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased by the Company and which are not held as treasury shares.

2.5 **Treasury shares.** Under the Companies Act, Shares purchased by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.5.1 Maximum holding

The number of Shares held as treasury shares¹ cannot at any time exceed 10% of the total number of issued Shares.

¹ For these purposes, "treasury shares" shall be read as including shares held by a subsidiary under Sections 21(4B) or 21(6C) of the Companies Act.

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2.5.2 Voting and other rights

The Company shall not exercise any right in respect of the treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of the treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of the treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

- 2.6 **Source of funds.** The Company may only apply funds for share purchases as provided in the Articles and in accordance with the applicable laws in Singapore. The Company may purchase Shares out of capital, as well as from its distributable profits.

The Company will use internal sources of funds and/or external borrowings to finance purchases of Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such an extent that would materially affect the working capital requirements of the Company and the Group.

- 2.7 **Reporting requirements.** Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the Registrar.

The Company shall notify the Registrar within 30 days of a purchase of Shares in the form as may be prescribed by the Registrar which shall include the date of purchase, the number of Shares purchased, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase, the amount of consideration paid by the Company for the purchase of Shares, whether the Shares were purchased out of profits or capital of the Company and such other particulars as may be required in the prescribed form of notice.

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The Listing Manual specifies that a listed company shall report all purchases of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was effected, and (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer. The notification of such purchases to the SGX-ST shall be in such form, and shall include such details, as may be prescribed by the SGX-ST in the Listing Manual.

The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(28) of the Listing Manual, which provides that an issuer must make an immediate announcement thereof. Such announcement must include details such as the date and purpose of the sale, transfer, cancellation and/or use of treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

- 2.8 **Dealings in Shares.** The Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time(s). However, as the Company would be regarded as an “insider” in relation to any proposed purchase of its Shares, the Company will not undertake any purchase of Shares pursuant to the Share Purchase Mandate in the following circumstances:
- (a) at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of a decision of the board of Directors until the price-sensitive information has been publicly announced; and
 - (b) in the case of Market Purchases, during the close periods of the Company commencing 2 weeks immediately preceding the announcement of the Company’s half-yearly or quarterly results and 1 month preceding the announcement of the annual results, as the case may be, up to and including the date of announcement of the relevant results.
- 2.9 **Listing status of the ordinary shares.** Under Rule 723 of the Listing Manual, a listed company should ensure that at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The “public”, as defined under the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company or its subsidiaries, as well as the associates of such persons.

Before deciding to effect a purchase of Shares pursuant to the Share Purchase Mandate, the Directors will use their best efforts to ensure that sufficient float in the hands of the public will be maintained such that the purchase of Shares will not affect the listing status of the Shares on the SGX-ST, cause market illiquidity or affect the orderly trading of the Shares.

As at the Latest Practicable Date, there are 241,729,233 Shares in the hands of the public, representing approximately 20.43% of the issued Shares. To comply with the requirement of the Listing Manual, the Company will only purchase Shares as may be available through Market Purchases up to such number of Shares so as to ensure that the number of Shares in the hands of the public would not fall below 118,337,328 Shares, representing approximately 10% of the issued Shares of 1,183,373,276.

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2.10 **Financial effects.** The financial effects on the Company and the Group arising from purchases of Shares which may be made pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased out of profits and/or capital of the Company, the number of Shares purchased, the price paid for such Shares and whether the Shares purchased are held in treasury or cancelled.

Under the Companies Act, purchases of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent. Where the consideration paid by the Company for the purchase of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The financial effects of the proposed Share Purchase Mandate on the Company and the Group are based on the audited financial statements of the Company and the Group for the financial year ended 30 June 2017 and on the assumptions set out below:

- (a) Based on the issued Shares as at 30 June 2017;
- (b) Assuming further that the Company purchases 118,337,327 Shares (the maximum number of shares representing approximately 10% of the number of issued Shares of 1,183,373,276 as authorised by the proposed Share Purchase Mandate), the maximum amount of funds required (excluding ancillary expenses such as brokerage, goods and services tax, stamp duties and other related expenses) is approximately:
 - (i) in the case of Market Purchases, S\$281,643,000 based on the maximum price of S\$2.38 per Share being the price equivalent to 5% above the average of the closing market prices of the Shares, over the 5 consecutive market days on which the Shares were traded on the SGX-ST immediately preceding 30 August 2017; and
 - (ii) in the case of Off-Market Purchases, S\$321,878,000 based on the maximum price of S\$2.72 per Share being the price equivalent to 20% above the average of the closing market prices of the Shares, over the 5 consecutive market days on which the Shares were traded on the SGX-ST immediately preceding 30 August 2017.
- (c) Purchase of the Shares is financed solely by external borrowings.

For illustration purposes only, on the basis of the assumptions set out in subparagraphs (a), (b) and (c) above, the financial effects of the purchase of the Shares by the Company pursuant to the proposed Share Purchase Mandate:

- (i) by way of purchases held as treasury shares; and
- (ii) by way of purchases made out of capital and profits and cancelled,

on the audited financial statements of the Company and the Group for the financial year ended 30 June 2017 are set out hereinafter:

LETTER TO SHAREHOLDERS

(i) Purchases held as treasury shares**(A) Market purchases**

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	S\$'000	S\$'000	S\$'000	S\$'000
<u>As at 30 June 2017</u>				
Shareholders' Funds	3,529,862	3,518,596	1,934,491	1,923,225
Less: Treasury Shares	-	(281,643)	-	(281,643)
	3,529,862	3,236,953	1,934,491	1,641,582
Current Assets	4,582,902	4,582,902	212	212
Current Liabilities	2,491,934	2,784,843	937	293,846
Total Borrowings ⁽¹⁾	4,344,508	4,626,151	-	281,643
Cash and Cash Equivalents	1,118,483	1,118,483	206	206
Number of Shares ('000) ⁽²⁾	1,109,768	991,431	1,109,768	991,431
<u>Financial Ratios</u>				
Net Asset Value per Share (S\$) ⁽³⁾	3.18	3.26	1.74	1.66
Gearing (times) ⁽⁴⁾	0.91	1.08	-	0.17
Current Ratio (times) ⁽⁵⁾	1.84	1.65	0.23	-
Earnings per Share (cents) ⁽⁶⁾	32.19	34.89	5.76	5.31

(B) Off-market purchases

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	S\$'000	S\$'000	S\$'000	S\$'000
<u>As at 30 June 2017</u>				
Shareholders' Funds	3,529,862	3,516,987	1,934,491	1,921,616
Less: Treasury Shares	-	(321,878)	-	(321,878)
	3,529,862	3,195,109	1,934,491	1,599,738
Current Assets	4,582,902	4,582,902	212	212
Current Liabilities	2,491,934	2,826,687	937	335,690
Total Borrowings ⁽¹⁾	4,344,508	4,666,386	-	321,878
Cash and Cash Equivalents	1,118,483	1,118,483	206	206
Number of Shares ('000) ⁽²⁾	1,109,768	991,431	1,109,768	991,431
<u>Financial Ratios</u>				
Net Asset Value per Share (S\$) ⁽³⁾	3.18	3.22	1.74	1.61
Gearing (times) ⁽⁴⁾	0.91	1.11	-	0.20
Current Ratio (times) ⁽⁵⁾	1.84	1.62	0.23	-
Earnings per Share (cents) ⁽⁶⁾	32.19	34.73	5.76	5.15

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(ii) Purchases made out of capital and profits and cancelled**(A) Market purchases**

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<u>As at 30 June 2017</u>				
Shareholders' Funds	3,529,862	3,236,953	1,934,491	1,641,582
Current Assets	4,582,902	4,582,902	212	212
Current Liabilities	2,491,934	2,784,843	937	293,846
Total Borrowings ⁽¹⁾	4,344,508	4,626,151	–	281,643
Cash and Cash Equivalents	1,118,483	1,118,483	206	206
Number of Shares ('000) ⁽²⁾	1,109,768	991,431	1,109,768	991,431
<u>Financial Ratios</u>				
Net Asset Value per Share (S\$) ⁽³⁾	3.18	3.26	1.74	1.66
Gearing (times) ⁽⁴⁾	0.91	1.08	–	0.17
Current Ratio (times) ⁽⁵⁾	1.84	1.65	0.23	–
Earnings per Share (cents) ⁽⁶⁾	32.19	34.89	5.76	5.31

(B) Off-market purchases

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<u>As at 30 June 2017</u>				
Shareholders' Funds	3,529,862	3,195,109	1,934,491	1,599,738
Current Assets	4,582,902	4,582,902	212	212
Current Liabilities	2,491,934	2,826,687	937	335,690
Total Borrowings ⁽¹⁾	4,344,508	4,666,386	–	321,878
Cash and Cash Equivalents	1,118,483	1,118,483	206	206
Number of Shares ('000) ⁽²⁾	1,109,768	991,431	1,109,768	991,431
<u>Financial Ratios</u>				
Net Asset Value per Share (S\$) ⁽³⁾	3.18	3.22	1.74	1.61
Gearing (times) ⁽⁴⁾	0.91	1.11	–	0.20
Current Ratio (times) ⁽⁵⁾	1.84	1.62	0.23	–
Earnings per Share (cents) ⁽⁶⁾	32.19	34.73	5.76	5.15

LETTER TO SHAREHOLDERS

Notes:

- (1) Total borrowings comprise liabilities arising from borrowings from banks and other financial institutions and outstanding debt securities.
- (2) Number of Shares is derived after deducting the Shares acquired by the Trust for the ESOS Scheme and treasury shares purchased from the number of Shares in issue.
- (3) Net asset value per Share is calculated by dividing the shareholders' funds by the number of Shares.
- (4) Gearing equals total borrowings after deducting cash and cash equivalents divided by shareholders' funds.
- (5) Current ratio equals current assets divided by current liabilities.
- (6) Earnings per Share is calculated by dividing profit attributable to ordinary equity holders of the Company by the weighted average number of Shares after deducting the Shares acquired by the Trust for the ESOS Scheme and treasury shares purchased. Profit attributable to ordinary equity holders of the Company is decreased by the interest expense on the external borrowings for the purchase of 118,337,327 Shares.

Shareholders should note that the financial effects set out above are for illustrative purposes only (based on the aforementioned assumptions). The actual impact will depend on the number and price of the Shares purchased (if any). In any event, the Directors do not intend to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Company. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Company and the prevailing market conditions.

2.11 **Take-over Code implications.** Appendix 2 of the Take-over Code ("**Appendix 2**") contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase by the Company of its Shares are set out below.

2.11.1 **Obligation to make a Take-over offer**

The resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following the purchase of Shares by the Company, will be treated as an acquisition for the purpose of Rule 14 of the Take-over Code ("**Rule 14**"). Consequently, depending on the number of Shares purchased by the Company and the Company's issued share capital at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make an offer under Rule 14.

2.11.2 **Persons acting in concert**

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, and any company whose associated companies include any of the foregoing companies;

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- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and
- (c) an individual, his close relatives, his related trusts and any person who is accustomed to act in accordance with his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

2.11.3 Effect of Rule 14 and Appendix 2

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase of Shares by the Company are set out in Rule 14 and Appendix 2.

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or, if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months.

Under Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution to approve the renewal of the Share Purchase Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any Share purchases by the Company.

LETTER TO SHAREHOLDERS

2.12 **Directors' and substantial shareholders' interests.** Based on the Register of Directors' Shareholdings and Register of Substantial Shareholders as at the Latest Practicable Date, the shareholdings of the Directors and Substantial Shareholders in the Company before and after the purchase of Shares pursuant to the Share Purchase Mandate, assuming (i) the Company purchases up to a maximum of 118,337,327 Shares comprising approximately 10% of the issued Shares, and (ii) there is no change in the number of Shares held by the Directors and Substantial Shareholders or which they are deemed interested in, will be as follows:

Shares	Before Share Purchase (No. of Shares)			Before Share Purchase	After Share Purchase
	Direct Interest	Deemed Interest	Total Interest	% ⁽¹⁾	% ⁽²⁾
DIRECTORS					
Moses Lee Kim Poo	-	-	-	-	-
Raymond Choong Yee How	-	-	-	-	-
Quek Leng Chan	13,333,333	819,266,530 ⁽⁶⁾	832,599,863	70.36	78.18
Kwek Leng Hai	35,290,914	-	35,290,914	2.98	3.31
Timothy Teo Lai Wah	33,333	-	33,333	0.003	0.003
Francis Siu Wai Keung	-	-	-	-	-
Abdullah Bin Tarmugi	-	-	-	-	-
Lim Suat Jien	-	-	-	-	-
Jennie Chua Kheng Yeng	-	-	-	-	-
Tang Hong Cheong	65,000	-	65,000	0.005	0.006
SUBSTANTIAL SHAREHOLDERS					
GuocoLand Assets Pte. Ltd.	772,032,426	-	772,032,426	65.24	72.49
Fairbury Pte. Ltd. ⁽⁷⁾	73,604,933	-	73,604,933	6.22	6.91
Guoco Group Limited	-	772,032,426 ⁽³⁾	772,032,426	65.24	72.49
GuoLine Overseas Limited	-	772,032,426 ⁽³⁾	772,032,426	65.24	72.49
GuoLine Capital Assets Limited	-	804,493,744 ⁽⁴⁾	804,493,744	67.98	75.54
Hong Leong Company (Malaysia) Berhad	-	804,693,744 ⁽⁵⁾	804,693,744	68.00	75.56
HL Holdings Sdn Bhd	-	804,693,744 ⁽⁵⁾	804,693,744	68.00	75.56
Hong Leong Investment Holdings Pte. Ltd.	-	804,693,744 ⁽⁵⁾	804,693,744	68.00	75.56
Quek Leng Chan	13,333,333	819,266,530 ⁽⁶⁾	832,599,863	70.36	78.18

LETTER TO SHAREHOLDERS

Notes:

- (1) As a percentage of the issued share capital of the Company, comprising 1,183,373,276 Shares.
- (2) As a percentage of the issued share capital of the Company, comprising 1,065,035,949 Shares (assuming that the Company purchases the maximum number of 118,337,327 Shares under the Share Purchase Mandate).
- (3) Deemed interest arising through GuocoLand Assets Pte. Ltd. by virtue of the operation of Section 7 of the Companies Act.
- (4) Deemed interest arising through GuocoLand Assets Pte. Ltd. and a company in which the substantial shareholder has interest by virtue of the operation of Section 7 of the Companies Act.
- (5) Deemed interest arising through GuocoLand Assets Pte. Ltd. and 2 companies in which the substantial shareholder has interest by virtue of the operation of Section 7 of the Companies Act.
- (6) Deemed interest arising through GuocoLand Assets Pte. Ltd. and 3 companies in which the substantial shareholder has interest by virtue of the operation of Section 7 of the Companies Act.
- (7) Trust established in respect of ESOS Scheme.

Based on the information set out on page 14, as at the Latest Practicable Date, none of the Directors will become obligated to make a mandatory offer in the event that the Company purchases the maximum number of 118,337,327 Shares under the Share Purchase Mandate. Based on the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any Substantial Shareholder (together with persons acting in concert with them) who may become obligated to make a mandatory offer in the event that the Company purchases the maximum number of 118,337,327 Shares under the Share Purchase Mandate.

- 2.13 **Details of Shares purchased in the last 12 months.** The Company did not purchase any Shares in the 12 months preceding the Latest Practicable Date.

3. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution No. 8 being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate, as set out in the Notice of AGM in the Company's Annual Report 2017.

LETTER TO SHAREHOLDERS

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading. Where information in this Addendum has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Addendum in its proper form and context.

5. DOCUMENTS FOR INSPECTION

The following documents may be inspected at the registered office of the Company during usual business hours on any weekday from the date of this Addendum up to and including the date of the 2017 AGM:

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the annual report of the Company for the financial year ended 30 June 2017.

Yours faithfully
For and on behalf of
the Board of Directors of
GUOCOLAND LIMITED

MOSES LEE KIM POO
Chairman

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