
**SIGNING OF JOINT VENTURE AGREEMENT
– PROJECT IN CHONGQING, PEOPLE'S REPUBLIC OF CHINA**

GuocoLand Limited (“**GuocoLand**” or the “**Company**”) refers to its announcements dated 29 November 2016 on the *Award of Land Tender in Chongqing, People's Republic Of China* (the “**November Announcement**”) and 13 December 2016 on the *Establishment of New Subsidiary* (the “**December Announcement**”), collectively, the “**Earlier Announcements**”. Unless otherwise defined, all capitalised terms herein shall have the meaning ascribed to them in the Earlier Announcements.

Joint Venture Agreement

Following the Memorandum of General Agreement entered into between the Company and Hong Leong Holdings (China) Pte. Ltd. (“**HLHC**”), as disclosed in the November Announcement, the Company has today entered into a Joint Venture Agreement (“**JVA**”) with HLHC, pursuant to which, *inter alia*, parties agreed to fund the Development Project by way of issue of additional share capital, shareholders’ loans or external loans in proportion to their respective shareholding percentages. HLHC will subscribe for 25% shareholding in GLL Chengdu Pte. Ltd. (“**GLL Chengdu**”).

GLL Chengdu, presently a wholly-owned subsidiary of the Company, will increase its share capital from S\$149,597,307 to S\$199,463,076 by the issuance of 49,865,769 new ordinary shares to HLHC, thereby resulting in the agreed joint venture proportion as follows:

<u>Parties</u>	<u>Number of Shares</u>	<u>Share Capital</u>	<u>Agreed Proportion</u>
GuocoLand	149,597,307	S\$149,597,307	75%
HLHC	49,865,769	S\$ 49,865,769	25%

Following the aforesaid issuance of new shares in GLL Chengdu to HLHC, GuocoLand’s shareholding in GLL Chengdu will be reduced from 100% to 75%.

GLL Chengdu as the successful bidder of the land use rights of the Land Parcels, will acquire and develop the Land Parcels through Chongqing Yuzhong Xinhaojun Real Estate Development Co., Ltd (重庆渝中新浩郡房地产开发有限公司) that had been registered in Chongqing as the Project Company and is a direct wholly-owned subsidiary of GLL Chengdu, as disclosed in the December Announcement.

Rationale

Parties entered into the JVA to, *inter alia*, govern the joint venture parties’ relationship, rights and obligations in the business, management and operations.

Consideration

Based on the acquisition consideration of the Land Parcels of Rmb3.64 billion (approximately S\$736.5 million) and the related expenses and costs, the Company's initial investment of its 75% shareholding is estimated to be Rmb2.84 billion (approximately S\$574.4 million) which is/will be contributed to the joint venture in the form of equity participation and loans.

The aforesaid amount is/will be funded through internal resources and external borrowings.

Financial Effects

The entering into the JVA is not expected to have any material effect on the net tangible assets per share or earnings per share of the GuocoLand Group for the current financial year ending 30 June 2017.

Interested Person Transaction

HLHC is a subsidiary of Hong Leong Holdings Limited ("**HLHL**"), which in turn is a subsidiary of Hong Leong Investment Holdings Pte. Ltd., an interested person of the Company within the meaning of Rule 904(4) of the Listing Manual of Singapore Exchange Securities Trading Limited ("**SGX-ST Listing Manual**"). The entry into the JVA is accordingly an Interested Person Transaction under Rule 904(5) of SGX-ST Listing Manual.

The Audit and Risk Committee ("**ARC**") has reviewed the terms of the JVA and the provision of loans to the joint venture, and the ARC is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner, and the terms of the joint venture as well as the provision of loans to the joint venture are not prejudicial to the interests of the Company and its minority shareholders.

The investment by GuocoLand in this joint venture with HLHC falls within the ambit of Rule 916 of the SGX-ST Listing Manual, having satisfied the relevant criteria listed under the said Rule.

To-date, the total value of interested person transactions (including the aforesaid joint venture and excluding other interested person transactions less than S\$100,000) entered into between the GuocoLand Group and the Singapore Hong Leong Group in the financial year ending 30 June 2017 is approximately S\$575.1 million.

Interest of Directors and Controlling Shareholders

Save for Mr Quek Leng Chan, who is a director, shareholder and deemed substantial shareholder of GuocoLand as well as a director and shareholder of HLHL; and Mr Kwek Leng Hai, who is a director and shareholder of GuocoLand as well as a shareholder of HLHL, none of the Directors or controlling shareholder(s) of GuocoLand has any interest, direct or indirect, in the above transaction.

BY ORDER OF THE BOARD

MARY GOH SWON PING
Group Company Secretary

23 May 2017