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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Guoco Group Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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國浩集團有限公司

Guoco Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 53)

MAJOR TRANSACTION

Disposal of Entire Interests in Beijing Dongzhimen Project

A letter from the board of directors of Guoco Group Limited is set out on pages 4 to 6 of this circular.

Hong Kong, 23 October 2015

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DEFINITIONS

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

“Acquisition Agreements”	a series of agreements signed by GLC and relevant parties, pursuant to which, GLC becomes the legal and beneficial owner of all the equity interests of Hainan Co
“Agreement”	the master transaction agreement dated 20 August 2015 entered into by GLC and the Purchaser in relation to the Transaction
“Announcement”	the announcement made by the Company on 20 August 2015 in connection with the Transaction
“Board”	the board of Directors
“Circular”	this circular issued by the Company to the Shareholders in respect of the Transaction
“Company”	Guoco Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	Completion of the Agreement
“Directors”	the directors of the Company
“Dongzhimen Project”	all land under the State-owned Land Use Right Certificate (Jing Dong Guo Yong (2005) Chu No. A00572) located to the north of Dong Zhi Men Wai Avenue in Dongcheng District with a usable area of 91,287.7 square metres to be used for office, commercial, apartment and underground parking lot purposes, the land use right of which is obtained by way of grant and the integrated property development situated thereon
“GBP”	British Pound, the lawful currency of the United Kingdom
“GLC”	GuocoLand (China) Limited, a wholly owned subsidiary of GLL
“GLL”	GuocoLand Limited, a 65.2% owned subsidiary of the Company, the shares of which are listed on the Singapore Exchange Securities Trading Limited
“GLL Group”	GLL and its subsidiaries from time to time
“Group”	the Company and its subsidiaries from time to time

DEFINITIONS

“Hainan Co”	海南京灝實業有限公司 (Hainan Jin Hao Asset Limited), a company incorporated in the PRC and directly holding 90% equity interest in the Project Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	16 October 2015, being the latest practicable date before the printing of this Circular for ascertaining certain information for the purpose of inclusion in this Circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Project Company”	北京城建東華房地產開發有限責任公司 (Beijing ChengJian Dong Hua Real Estate Development Company Limited), a company incorporated in the PRC and being the developer of the Dongzhimen Project
“Project Liabilities”	debts in the total sum of RMB5,936,884,000 (equivalent to approximately HK\$7.25 billion) owed by the Project Company and its affiliates to the GLL Group
“Project Rights”	all the rights, powers, interests and benefits GLC has in relation to Hainan Co and the Dongzhimen Project, including: (1) all rights exercisable or all the rights, powers, interests and benefits belonging to GLC pursuant to the Acquisition Agreements; and (2) all the legal or registered shareholders’ rights, powers, interests and benefits pursuant to the ownership of 100% shareholding of Hainan Co
“Purchaser”	the Beijing city branch of China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司), a joint stock limited company incorporated in the PRC with its H Shares listed on the Stock Exchange (Stock Code: 1359)
“S\$”	Singapore dollars, the lawful currency of Singapore
“RM”	Malaysian Ringgit, the lawful currency of Malaysia
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the disposal of the Project Rights and Project Liabilities of the GLL Group in or relating to Hainan Co and the Dongzhimen Project pursuant to the Agreement
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

For reference only, the exchange rate of RMB:HK\$, S\$:HK\$, RM:HK\$, GBP:HK\$ and US\$:HK\$ as referred to in this Circular is RMB1:HK\$1.2212, S\$1:HK\$5.6113, RM1:HK\$1.8703, GBP1:HK\$11.9858 and US\$1:HK\$7.7501 respectively as at the Latest Practicable Date.

LETTER FROM THE BOARD



國浩集團有限公司

Guoco Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 53)

Chairman:

Quek Leng Chan

Executive Director:

Kwek Leng Hai (*President, CEO*)

Non-executive Directors:

Kwek Leng San

Tan Lim Heng

Independent Non-executive Directors:

Volker Stoeckel

Roderic N. A. Sage

David Michael Norman

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Principal office:

50th Floor, The Center
99 Queen's Road Central
Hong Kong

23 October 2015

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

Disposal of Entire Interests in Beijing Dongzhimen Project

INTRODUCTION

The purpose of this Circular is to provide the Shareholders with further details of the Transaction.

The Transaction

On 20 August 2015, GLC, as the seller, entered into the Agreement with the Purchaser in respect of the disposal of the Project Rights and Project Liabilities in or relating to the Dongzhimen Project. Pursuant to the Agreement, (i) GLC agreed to sell and transfer and the Purchaser agreed to purchase the Project Rights, being all the rights, powers, interests and benefits GLC has in relation to Hainan Co and the Dongzhimen Project, including: (1) all rights exercisable or all the rights, powers, interests and benefits belonging to GLC pursuant to the Acquisition Agreements; and (2) all the legal or registered shareholders' rights, powers, interests and benefits pursuant to the ownership of 100% shareholding of Hainan Co; and (ii) the Purchaser agreed to purchase and GLC shall transfer or procure the transfer to the Purchaser the Project Liabilities, being the debt in the total sum of RMB5,936,884,000 (equivalent to approximately HK\$7.25 billion) owed by the Project Company and its affiliates to the GLL Group.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are independent third parties of the Company and its connected persons (as defined under the Listing Rules).

Completion

Completion, not being subject to any conditions precedent, took place upon signing of the Agreement, i.e. 20 August 2015.

Immediately before Completion on 20 August 2015, Hainan Co directly held 90% equity interest in the Project Company and the beneficial interest in Hainan Co was held by Vantage Beauty (HK) Limited ("VBHK") which in turn was wholly owned by Vantage Beauty Limited ("VBL"). VBL was wholly owned by GLC. The remaining 10% equity interest in the Project Company was held by 北京市東城區住宅發展中心 (The Beijing City Dong Cheng District Residential Development Centre), which is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

Following Completion, the companies relating to the Dongzhimen Project, including VBL, VBHK, Hainan Co and the Project Company ceased to be subsidiaries of the Group and GLC effectively disposed of its 90% interest in the Dongzhimen Project.

Consideration

The aggregate consideration of RMB10.50 billion (equivalent to approximately HK\$12.82 billion) was 90% of the agreed value of the Dongzhimen Project which was arrived at on a willing-buyer and willing-seller basis after arms-length negotiation between both parties. Pursuant to the Agreement, the Transaction was structured to comprise disposal of the Project Rights and the Project Liabilities. The Project Liabilities were valued at RMB5,936,884,000 (equivalent to approximately HK\$7.25 billion) which corresponded to the amount of debts transferred to the Purchaser and the balance of the aggregate consideration of RMB4,563,116,000 (equivalent to approximately HK\$5.57 billion) represented the value of the Project Rights.

RMB9.45 billion (equivalent to approximately HK\$11.54 billion) in cash was paid upon signing of the Agreement and the balance in cash is payable on the last day of the 18th month from the date of the Agreement or dealt with in accordance with the tax provisions in the Agreement, as the case may be.

The property valuation of the Dongzhimen Project as at 19 August 2015 was RMB11,865,000,000 (equivalent to approximately HK\$14.49 billion). Given the payment and other terms of the Agreement, the Directors are of the view that the aggregate consideration of the Transaction of RMB10.50 billion (equivalent to approximately HK\$12.82 billion), compared to RMB10,678,500,000 (equivalent to approximately HK\$13.04 billion) being 90% of the property valuation, is fair and reasonable.

RATIONALE

The Transaction was carried out in the ordinary course of the GLL Group's property development and investment business and provided an opportunity for the GLL Group to realise the capital value of the Dongzhimen Project.

The Directors considered that the terms and conditions of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

FINANCIAL IMPACT

The aggregate carrying value of the 90% interest in the Dongzhimen Project in the books of the GLL Group as at 30 June 2015 was approximately RMB8.46 billion (equivalent to approximately HK\$10.33 billion). No impairment had been made in relation to the Dongzhimen Project. The Transaction is expected to generate a net profit of approximately S\$480 million (equivalent to approximately HK\$2.69 billion) for the GLL Group. Approximately one-third of the net proceeds of the Transaction is used for repayment of debts and the balance for general working capital of the GLL Group.

According to the property valuation report appended to this Circular in Appendix II, the value of Dongzhimen Project as at 19 August 2015 was RMB11,865,000,000 (equivalent to approximately HK\$14.49 billion). Such valuation has no effect on the carrying value of the Dongzhimen Project in the books of the GLL Group as at 30 June 2015.

As a result of the Transaction, the amount of cash and the consolidated total assets of the Group would be expected to increase and the consolidated total liabilities of the Group would be expected to decrease. In addition, it is expected to generate a profit attributable to the equity shareholders of the Company (unaudited) of approximately S\$313 million (equivalent to approximately HK\$1.76 billion). Save for the aforesaid effects mentioned above arising from the Transaction, the Transaction does not have other material effect on the earnings, assets and liabilities of the Group.

LISTING RULES IMPLICATIONS

Since one of the applicable percentage ratios under the Listing Rules in respect of the Transaction exceeds 25% but less than 75%, the Transaction constitutes a major transaction for the Company under the Listing Rules. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholder or any of their respective associates have any material interest in the Transaction. As such, no Shareholder would be required to abstain from voting for the resolution approving the Transaction if the Company were to convene a general meeting to approve the Transaction. Pursuant to Rule 14.44 of the Listing Rules, a written shareholder's approval for the Transaction was obtained from GuoLine Overseas Limited which held 71.9% of the total issued share capital of the Company as at the date of the Announcement.

GENERAL

The Company 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 Purchaser is the Beijing city branch of China Cinda Asset Management Co., Ltd. which is principally engaged in distressed asset management and provision of customized financial solutions and differentiated asset management services to its clients through the synergistic operation of its diversified business platforms.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Circular.

Yours faithfully,
By Order of the Board
Kwek Leng Hai
President, CEO

STATEMENT OF INDEBTEDNESS

1. Borrowings

As at the close of business on 31 August 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Circular, the Group had the following outstanding borrowings:

	<i>US\$' million</i>
Bank loans	
– Secured	1,906
– Unsecured	1,413
	<hr/>
	3,319
Unsecured other loans	17
Unsecured medium term notes and bonds	1,408
Secured mortgage debenture stock	90
	<hr/>
	<u>4,834</u>

Note:

The bank loans and mortgage debenture stock are secured by the following:

- legal mortgages on investment properties with an aggregate book value of US\$1,372 million (equivalent to approximately HK\$10.63 billion);
- legal mortgages on development properties with an aggregate book value of US\$1,667 million (equivalent to approximately HK\$12.92 billion);
- legal mortgages on other property, plant and equipment with an aggregate book value of US\$361 million (equivalent to approximately HK\$2.80 billion); and
- certain trading financial assets with an aggregate book value of US\$370 million (equivalent to approximately HK\$2.87 billion).

2. Contingent Liabilities

The Rank Group Plc (“Rank”)

(a) Property leases

Concurrent to the GBP211 million (equivalent to approximately HK\$2.53 billion) sale and leaseback in 2006, Rank transferred the rights and obligations but not the legal titles of 44 property leases to a third party. Rank remains potentially liable in the event of default by the third party. Should default occur then Rank would have recourse to two guarantors. It is understood that, of the original 44 leases transferred, 11 of these have not expired or been surrendered. These 11 leases have durations of between 17 months and 98 years and a current annual rental obligation (net of sublet income) of approximately GBP1.1 million (equivalent to approximately HK\$13.2 million).

During the prior year, Rank became aware of certain information in respect of a change in the financial position of the third party and one of the guarantors. However, Rank has not to date been notified of any default, or intention to default, in respect of the transferred leases.

(b) Stamp duty

Rank has received from HM Revenue & Customs (“HMRC”) a determination in respect of the amount of stamp duty payable on certain transactions undertaken by Gala Casino 1 Limited (now Grosvenor Casinos (GC) Limited) before its acquisition by Rank on 12 May 2013. Rank estimates the maximum potential additional stamp duty that could be due if HMRC are successful to be GBP7.2 million (equivalent to approximately HK\$86.3 million) plus interest. Under the terms of the sale and purchase agreement the vast majority of any liability arising falls upon the vendor and Rank has further indemnification in the event of default by the vendor.

3. Save as disclosed in above, and apart from intra-group liabilities, the Group did not have outstanding mortgages, charges, debentures, loan capital, bank overdrafts, loans, debt securities or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities outstanding at 31 August 2015.

The Directors have confirmed that, up to the Latest Practicable Date, there have been no material changes in the Group’s indebtedness and contingent liabilities since 31 August 2015.

STATEMENT OF SUFFICIENCY OF WORKING CAPITAL

The Directors are of the opinion that, based on the internal resources and the available banking facilities of the Group, the Group has sufficient working capital for its present requirements for the next 12 months from the date of this Circular.

FINANCIAL AND TRADING PROSPECTS

While global authorities will remain investor friendly in their policy settings, markets have to face challenges including valuations that are no longer cheap, a recovering but still sluggish global growth outlook and the possibility of US interest rate hikes in coming months. The economic environment for the Group’s businesses remains mixed. In the midst of these uncertain and soft market conditions, each of our core businesses will continue to focus on implementing their strategies to strengthen their platforms and to enhance their competitiveness to achieve sustainable growth for all Shareholders.

MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 30 June 2015, being the date to which the latest published audited consolidated financial statements of the Group were made up to.

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this Circular received from CBRE Limited, an independent valuer, in connection with the valuation of the Dongzhimen Project as at 19 August 2015:

CBRE

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Three Exchange Square
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T 852 2820 2800
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香港中環康樂廣場八號交易廣場第三期
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www.cbre.com.hk

地產代理（公司）牌照號碼
Estate Agent's Licence No. C-004065

16 October 2015

The Board of Directors,
Guoco Group Limited
50th Floor, The Center,
99 Queen's Road Central,
Hong Kong

Dear Sirs,

In accordance with your instructions to us to value the certain property interests held by Guoco Group Limited (hereinafter refer to as the "Company") and its subsidiaries (collectively referred to as the "Group") in the People's Republic of China ("the PRC"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital value of property interests as at 19 August 2015 (the "Valuation Date").

VALUATION BASIS AND ASSUMPTIONS

Our valuation is prepared in accordance with "The HKIS Valuation Standards (2012 Edition)" ("the Standards") published by The Hong Kong Institute of Surveyors ("the HKIS").

Our valuation is made on the basis of Market Value which is defined by the International Valuation Standards and followed by the HKIS to mean "the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

We have also complied with relevant requirements contained in Paragraph 46 of Schedule 3 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), Chapter 5, Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Our valuation has been made on the assumption that the owner sells the property on the open market without the benefit or burden of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which would serve to affect the value of the property interests.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting sale. Unless otherwise stated, it is assumed that the property was free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

VALUATION METHODOLOGY

In valuing the property which is held by the Group for development in the PRC, we have valued it on the basis that the property will be developed and completed in accordance with the Group's latest development proposals and development programme provided to us. We have assumed that all consents, approvals and licenses from relevant government authorities for the development proposals have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the development are in compliance with the local planning regulations and have been approved by the relevant authorities. In arriving at our opinion of value, we have adopted Direct Comparison Approach by making reference to comparable sales evidence as available in the relevant market, and have also taken into account the expended construction cost. The "estimated capital value as if completed" represents our opinion of the aggregate selling prices of the development assuming that it had been completed at the Valuation Date.

In valuing the property by Direct Comparison Approach, we have allowed adjustments mainly on factors of time, location, building quality, view and management for residential properties, factors of time, location, exposure, size, floor level, building quality for retail properties, factors of time, location, building quality, room size, scale, building management for hotel, and factors of time, location, building condition, management and scale for carpark.

SOURCE OF INFORMATION

We have relied to a considerable extent on information given by the Group, in particular, but not limited to, planning approvals, statutory notices, easements, development scheme, site area and floor area and relevant information. No on-site measurement has been taken. Dimensions, measurements and areas included in the valuation certificates are only approximations. We have taken every reasonable care both during inspecting the information provided to us and in making relevant enquiries. We have no reason to doubt the truth and accuracy of the information provided to us by the Group, which is material to the valuation. We were also advised by the Group that no material facts have been omitted from the information provided to us.

We have been provided with copies of the title documents relating to the property, however due to the nature of the land registration system in the PRC, we cannot cause searches to be made on the title of the property nor have we scrutinised all the original documents to verify ownership and encumbrances or to ascertain the subsequent amendments, if any, which may not appear on the copies handed to us.

In the course of our valuation, we have relied on the legal opinion provided by the PRC legal advisor, Beijing Anheli Law Office (the "PRC Legal Opinion"). We have been provided with extracts from title documents relating to such property interests in the PRC. We have not, however, searched the original documents to verify ownership or existence of any amendment which does not appear on the copies handed to us. All documents have been used for reference only.

PROPERTY INSPECTION

We have inspected the property to such extent as for the purpose of this valuation. In the course of our inspection, we did not notice any serious defects. However, we have not carried out any structural survey nor any tests were made on the building services. Therefore, we are not able to report whether the property is free of rot, infestation or any other structural defects.

We have not carried out site measurements to verify the correctness of the site area of the property and have assumed that the site area shown on the documents and official site plan handed to us is correct. During our inspection, we have not carried our investigations on the site to determine the suitability of the ground conditions and the services for any future development. Our valuation is on the basis that these aspects are satisfactory.

The property inspection in the PRC was carried out by Ms. Nicole Liu on 3 July 2015.

CURRENCY

Unless otherwise stated, all monetary amounts are stated in Renminbi (“RMB”) in respect of the property in the PRC.

We enclose herewith our valuation certificate.

Yours faithfully,
For and on behalf of
CBRE Limited

Harry C W Chan
FHKIS MCIREA RPS (GP)
Executive Director
Valuation & Advisory Services

Note: Mr. Harry Chan is a fellow member of Hong Kong Institute of Surveyors, a member of China Institute of Real Estate Appraisers and Agents and a Registered Professional Surveyor (General Practice). He has over 20 years’ post qualification experience in the valuation of properties in the PRC and Hong Kong.

Ms. Nicole Liu is a member of China Institute of Real Estate Appraisers and Agents and members of China Real Estate Valuers Association. She has over 9 years’ post qualification experience in valuation of properties in the PRC.

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in existing state as at 19 August 2015
Proposed Guoson Centre, No. 39 Dongzhimenwai Street, Dongcheng District, Beijing, the People's Republic of China	The property comprises a development site for a residential and commercial development having a total site area of about 91,287.70 sq.m.	As at the Valuation Date, the construction works of the property has been suspended and the property is vacant.	RMB11,865,000,000
	The property comprises a total gross floor area of approximately 512,800 sq.m. Details of the uses and approximate gross floor areas ("GFA") of the property are as follows:		58.68% interest attributable to the Group: RMB6,962,382,000
	Use	Approximate GFA (sq.m.)	
	Residential	50,764	
	Hotel	47,781	
	Office	138,440	
	Commercial	151,039	
	Car park & ancillary area	124,776	
	Total:	<u>512,800</u>	
	The construction work had been suspended since the end of 2012.		
	The property is held under a State-owned Land Use Rights Certificate for residential use for a term of 70 years expiring on 23 June 2075; office and car parking uses for terms of 50 years expiring on 23 June 2055, commercial and hotel uses for terms of 40 years expiring on 23 June 2045.		

Notes:

- Pursuant to State-owned Land Use Rights Grant Contract Jing Dichu (He) Zi (2005) No. 0325, the land use rights of the property with a site area of 91,287.70 sq.m. have been granted to Beijing ChengJian Dong Hua Real Estate Development Company Limited (北京城建東華房地產開發有限責任公司) at a consideration of RMB636,906,160.
- Pursuant to State-owned Land Use Rights Certificate No. Jing Tong Guo Yong (2005 Chu) No. A00572 dated 18 August 2005, the land use rights of the property with a site area of 91,287.7 sq.m. have been granted to Beijing ChengJian Dong Hua Real Estate Development Company Limited (北京城建東華房地產開發有限責任公司) for apartment use expiring on 23 June 2075, commercial use expiring on 23 June 2045 and office and car parking uses expiring on 23 June 2055.
- Pursuant to Construction Land Use Planning Permit No. 2001- Gui Di Zi - 0058 dated 1 March 2001, the land use planning of the property with site area of 106,000 sq.m. has been permitted.
- Pursuant to the Construction Works Planning Permit dated 21 September 2006 and the supplementary permit dated 11 April 2012, the planning of construction works of the property with a total construction area of approximately 590,800 sq.m. has been permitted.
- Pursuant to three Construction Works Commencement Permits dated 6 November 2006, the construction works of the property with a total construction area of approximately 596,500 sq.m. has been permitted to commence.

6. The status of the title and grant of major approvals and licenses, in accordance with the information provided to us, is as follows:

State-owned Land Use Rights Grant Contract	Yes
State-owned Land Use Rights Certificate	Yes
Construction Land Use Planning Permit	Yes
Construction Works Planning Permit	Yes
Construction Works Commencement Permit	Yes
Commodity Building Pre-sales Permit	No

7. The estimated capital value under development of the property as if completed as at the Valuation Date was about RMB19,742 million.

8. The current uses of the property comply with town planning use.

9. We have been provided with a legal opinion regarding the property interest by the PRC legal advisors, which contains, inter alia, the following:

- (a) Beijing ChengJian Dong Hua Real Estate Development Company Limited (北京城建東華房地產開發有限責任公司) is the only legal owner of the property and is entitled to possess, use or dispose of the land use right of the property.
- (b) The property is subject to several freezing orders due to legal disputes. The property is not allowed to be transferred or mortgaged before the freezing orders are released. However the freezing orders do not affect the ownership of Beijing ChengJian Dong Hua Real Estate Development Company Limited (北京城建東華房地產開發有限責任公司) in the property.
- (c) The construction works of the property has not been completed within the period of building covenant stipulated in the State-owned Land Use Rights Grant Contract. However there is no relevant clause regarding the liability upon breach of building covenant in the State-owned Land Use Rights Grant Contract.
- (d) The current use of the property is in compliance with the planning land use. Beijing ChengJian Dong Hua Real Estate Development Company Limited (北京城建東華房地產開發有限責任公司) has obtained relevant legal approvals for the development of the property.
- (e) 90% of the equity interest of Beijing ChengJian Dong Hua Real Estate Development Company Limited (北京城建東華房地產開發有限責任公司) is held by Hainan Jin Hao Asset Limited (海南京灝實業有限公司). And Hainan Jin Hao Asset Limited (海南京灝實業有限公司) is a direct wholly-owned subsidiary of GuocoLand (China) Limited (國浩房地產(中國)有限公司).

10. As advised by the Group, GuocoLand (China) Limited (國浩房地產(中國)有限公司) is a wholly-owned subsidiary of GuocoLand Limited which in turn is a 65.2% indirect subsidiary of the Company.

11. As advised by the Group, the incurred construction cost as at the Valuation Date was approximately RMB1,984 million and the original estimated cost to completion was approximately RMB2,683 million. In the course of our valuation, we have taken into account such costs.

12. In valuing the property, we have adopted Direct Comparison Approach taking into account the incurred construction cost and associated costs. The assumed accommodation value of land is about RMB22,860 per sq.m.

In undertaking our valuation of the property, we have made reference to prices of land parcels within similar districts. The prices of accommodation value range from about RMB20,920 to RMB46,340 per sq.m. The unit rate assumed by us is consistent with the relevant comparables after due adjustment.

1. RESPONSIBILITY STATEMENT

This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Circular misleading.

2. DISCLOSURE OF INTERESTS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or the chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required to be and are recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors:

(A) The Company

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of the Company	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	1,056,325	249,425,792	250,482,117	76.12%	<i>Note</i>
Kwek Leng Hai	3,800,775	–	3,800,775	1.16%	
Kwek Leng San	209,120	–	209,120	0.06%	
Tan Lim Heng	566,230	–	566,230	0.17%	
David Michael Norman	4,000	–	4,000	0.00%	

* Ordinary shares unless otherwise specified in the Note

Note: The total interests of 250,482,117 shares/underlying shares comprised 242,208,117 ordinary shares of the Company and 8,274,000 underlying shares of other unlisted derivatives.

The corporate interests of 249,425,792 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuoLine Overseas Limited (“GOL”)	236,524,930
GuoLine Capital Limited (“GCL”)	8,274,000
Asian Financial Common Wealth (PTC) Limited (“AFCW”)	4,026,862
Chaghese Limited (“CL”)	600,000

AFCW was wholly owned by Guoco Management Company Limited which in turn was wholly owned by the Company. The Company was 71.88% owned by GOL. GOL and GCL were wholly owned by GuoLine Capital Assets Limited which in turn was wholly owned by Hong Leong Company (Malaysia) Berhad (“HLCM”). HLCM was 49.27% owned by Mr Quek Leng Chan as to 2.424% under his personal name, 46.534% via HL Holdings Sdn Bhd (“HLH”) which was wholly owned by him and 0.311% via Newton (L) Limited (“NLL”). NLL was wholly owned by Newton Capital Group Limited which was 2.424% owned by Mr Quek Leng Chan and 46.534% owned by HLH.

CL was wholly owned by Mr Quek Leng Chan.

(B) Associated Corporations

(a) Hong Leong Company (Malaysia) Berhad (“HLCM”)

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of HLCM	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	390,000	7,537,100	7,927,100	49.27%	<i>Note</i>
Kwek Leng Hai	420,500	–	420,500	2.61%	
Kwek Leng San	117,500	–	117,500	0.73%	

* Ordinary shares

Note: The corporate interests of 7,537,100 shares comprised the respective direct interests held by:

	Number of shares
HL Holdings Sdn Bhd (“HLH”)	7,487,100
Newton (L) Limited (“NLL”)	50,000

The controlling shareholders of HLH and NLL as well as their respective percentage control are shown in the Note under Part (A) above.

(b) *GuocoLand Limited (“GLL”)*

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of GLL	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	13,333,333	864,270,020	877,603,353	74.16%	<i>Note</i>
Kwek Leng Hai	35,290,914	–	35,290,914	2.98%	
Tan Lim Heng	1,337,777	–	1,337,777	0.11%	
Volker Stoeckel	1,461,333	–	1,461,333	0.12%	

* Ordinary shares unless otherwise specified in the Note

Note: The total interests of 877,603,353 shares/underlying shares comprised 831,344,363 ordinary shares of GLL and 46,258,990 underlying shares of other unlisted derivatives.

The corporate interests of 864,270,020 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuocoLand Assets Pte Ltd (“GAPL”)	772,032,426
GuoLine Capital Limited (“GCL”)	46,258,990
GuoLine International Limited (“GIL”)	32,461,318
Chaghese Limited (“CL”)	13,417,286
HL Management Co Sdn Bhd (“HLMC”)	100,000

GAPL was wholly owned by the Company. GIL was wholly owned by GuoLine Capital Assets Limited (“GCA”). HLMC was wholly owned by Hong Leong Company (Malaysia) Berhad (“HLCM”). The respective controlling shareholders of the Company, CL, GCL, GCA and HLCM as well as their respective percentage control are shown in the Note under Part (A) above.

(c) *Hong Leong Financial Group Berhad (“HLFG”)*

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of HLFG	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	4,989,600	856,380,500	861,370,100	81.82%	<i>Note</i>
Kwek Leng Hai	2,316,800	–	2,316,800	0.22%	
Kwek Leng San	600,000	–	600,000	0.06%	
Tan Lim Heng	245,700	–	245,700	0.02%	

* Ordinary shares unless otherwise specified in the Note

Note: The total interests of 861,370,100 shares/underlying shares comprised 824,903,500 ordinary shares of HLFG and 36,466,600 underlying shares of other unlisted derivatives.

The corporate interests of 856,380,500 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Company (Malaysia) Berhad (“HLCM”)	546,773,354
Hong Leong Share Registration Services Sdn Bhd (“HLSRS”)	3,600
GuoLine Capital Limited (“GCL”)	36,466,600
Guoco Assets Sdn Bhd (“GASB”)	267,079,946
Soft Portfolio Sdn Bhd (“SPSB”)	6,057,000

GASB was 45.45% and 54.55% owned by the Company and GA Investment Limited (“GAIL”) respectively. GAIL was wholly owned by the Company. HLSRS was wholly owned by HL Management Co Sdn Bhd which in turn was wholly owned by HLCM.

The respective controlling shareholders of the Company, HLCM and GCL as well as their respective percentage control are shown in the Note under Part (A) above.

SPSB was 99% owned by Mr Quek Leng Chan.

(d) *GuocoLand (Malaysia) Berhad (“GLM”)*

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of GLM	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	19,506,780	478,198,296	497,705,076	71.05%	<i>Note</i>
Kwek Leng Hai	226,800	–	226,800	0.03%	
Tan Lim Heng	326,010	–	326,010	0.05%	

* Ordinary shares unless otherwise specified in the Note

Note: The total interests of 497,705,076 shares/underlying shares comprised 474,705,376 ordinary shares of GLM and 22,999,700 underlying shares of other unlisted derivatives.

The corporate interests of 478,198,296 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GLL (Malaysia) Pte Ltd (“GLLM”)	455,130,580
GuoLine Capital Limited (“GCL”)	23,067,716

GLLM was wholly owned by GuocoLand Limited which in turn was 65.24% owned by GuocoLand Assets Pte Ltd (“GAPL”).

The controlling shareholder of GCL and its percentage control are shown in the Note under Part (A) above.

The controlling shareholder of GAPL and its percentage control are shown in the Note under Part (B)(b) above.

(e) *GuocoLeisure Limited (“GL”)*

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of GL	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	735,000	913,575,634	914,310,634	66.83%	<i>Note</i>
Tan Lim Heng	1,100,000	–	1,100,000	0.08%	

* Ordinary shares

Note: The corporate interests of 913,575,634 shares comprised the respective direct interests held by:

	Number of shares
GuocoLeisure Assets Limited (“GLAL”)	911,760,634
GuoLine Overseas Limited (“GOL”)	1,415,000
HL Management Co Sdn Bhd (“HLMC”)	400,000

GLAL was wholly owned by the Company. HLMC was wholly owned by Hong Leong Company (Malaysia) Berhad (“HLCM”). The respective controlling shareholders of the Company, GOL and HLCM as well as their respective percentage control are shown in the Note under Part (A) above.

(f) *The Rank Group Plc (“Rank”)*

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of Rank	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	285,207	219,282,221	219,567,428	56.20%	<i>Note</i>
Kwek Leng Hai	1,026,209	–	1,026,209	0.26%	
Kwek Leng San	56,461	–	56,461	0.01%	
Tan Lim Heng	152,882	–	152,882	0.04%	

* Ordinary shares

Note: The corporate interests of 219,282,221 shares comprised the respective direct interests held by:

	Number of shares
GuoLine Overseas Limited (“GOL”)	15,830,300
Asian Financial Common Wealth (PTC) Limited (“AFCW”)	1,087,252
Chaghese Limited (“CL”)	162,000
Rank Assets Limited (“RAL”)	202,202,669

RAL was wholly owned by the Company. The respective controlling shareholders of the Company, AFCW, GOL and CL as well as their respective percentage control are shown in the Note under Part (A) above.

(g) *Hong Leong Industries Berhad (“HLI”)*

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of HLI	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	–	243,551,870	243,551,870	76.24%	<i>Note</i>
Kwek Leng Hai	190,000	–	190,000	0.06%	
Kwek Leng San	2,520,000	–	2,520,000	0.79%	

* Ordinary shares unless otherwise specified in the Note.

Note: The total interests of 243,551,870 shares/underlying shares comprised 242,665,670 ordinary shares of HLI and 886,200 underlying shares of other unlisted derivatives.

The corporate interests of 243,551,870 shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Manufacturing Group Sdn Bhd (“HLMG”)	238,217,035
Hong Leong Assurance Berhad (“HLA”)	1,936,635
Soft Portfolio Sdn Bhd (“SPSB”)	2,512,000
GuoLine Capital Limited (“GCL”)	886,200

HLA was 70% owned by HLA Holdings Sdn Bhd (“HLAH”). HLAH was wholly owned by HLFH which in turn was 77.31% owned by Hong Leong Company (Malaysia) Berhad (“HLCM”).

HLMG was wholly owned by HLCM.

The respective controlling shareholders of HLCM and GCL as well as their respective percentage control are shown in the Note under Part (A) above.

The controlling shareholder of SPSB and his percentage control are shown in the Note under Part (B)(c) above.

(h) *Hong Leong Bank Berhad (“HLB”)*

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of HLB	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	–	1,160,549,285	1,160,549,285	64.52%	<i>Note</i>
Kwek Leng Hai	4,750,000	–	4,750,000	0.26%	
Kwek Leng San	462,000	–	462,000	0.03%	

* Ordinary shares

Note: The corporate interests of 1,160,549,285 shares comprised the respective direct interests held by:

	Number of shares
Hong Leong Financial Group Berhad (“HLFG”)	1,143,931,005
Hong Leong Assurance Berhad (“HLA”)	2,635,780
Soft Portfolio Sdn Bhd (“SPSB”)	48,000
Asia Fountain Investment Company Limited (“AFI”)	181,000
GuoLine Capital Limited (“GCL”)	2,393,400
Hong Leong Equities Sdn Bhd (“HLESB”)	11,360,100

AFI was wholly owned by Guoco Equity Assets Limited which in turn was wholly owned by the Company. The respective controlling shareholders of the Company and GCL as well as their respective percentage control are shown in the Note under Part (A) above.

HLESB was wholly owned by HLFG. The respective controlling shareholders of HLA and HLFG as well as their respective percentage control are shown in the Note under Part (B)(g) above.

The controlling shareholder of SPSB and his percentage control are shown in the Note under Part (B)(c) above.

(i) *Malaysian Pacific Industries Berhad (“MPI”)*

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of MPI	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	–	111,179,357	111,179,357	55.90%	<i>Note</i>
Kwek Leng Hai	71,250	–	71,250	0.04%	
Kwek Leng San	1,260,000	–	1,260,000	0.63%	

* Ordinary shares

Note: The corporate interests of 111,179,357 shares comprised the respective direct interests held by:

	Number of shares
Hong Leong Industries Berhad (“HLI”)	2,438,469
Hong Leong Share Registration Services Sdn Bhd (“HLSRS”)	6,462
Hong Leong Assurance Berhad (“HLA”)	2,352,838
Hong Leong Manufacturing Group Sdn Bhd (“HLMG”)	104,386,088
Soft Portfolio Sdn Bhd (“SPSB”)	995,500
Asia Fountain Investment Company Limited (“AFI”)	1,000,000

HLI was 74.57% owned by HLMG.

The respective controlling shareholders of HLA and HLMG as well as their respective percentage control are shown in the Note under Part (B)(g) above.

The respective controlling shareholders of HLSRS and SPSB as well as their respective percentage control are shown in the Note under Part (B)(c) above.

The controlling shareholder of AFI and its percentage control are shown in the Note under Part (B)(h) above.

(j) *Lam Soon (Hong Kong) Limited (“LSHK”)*

Director	Number of *shares (Long Position)			Approx. % of the total number of issued shares of LSHK
	Personal interests	Corporate interests	Total interests	
Kwek Leng Hai	2,300,000	–	2,300,000	0.95%
Tan Lim Heng	274,000	–	274,000	0.11%

* Ordinary shares

(k) *Hume Industries Berhad (“HIB”) (formerly known as “Narra Industries Berhad”)*

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of HIB	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	–	351,605,263	351,605,263	73.39%	<i>Note</i>
Kwek Leng Hai	205,200	–	205,200	0.04%	
Kwek Leng San	3,921,600	–	3,921,600	0.82%	

* Ordinary shares

Note: The total interests of 351,605,263 shares/underlying shares comprised 351,377,167 ordinary shares of HIB and 228,096 underlying shares of other unlisted derivatives.

The corporate interests of 351,605,263 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Industries Berhad (“HLI”)	2,519,982
Hong Leong Assurance Berhad (“HLA”)	2,091,565
Soft Portfolio Sdn Bhd (“SPSB”)	2,712,960
Hong Leong Manufacturing Group Sdn Bhd (“HLMG”)	344,052,660
GuoLine Capital Limited (“GCL”)	228,096

The respective controlling shareholders of HLA and HLMG as well as their respective percentage control are shown in the Note under Part (B)(g) above.

The controlling shareholder of GCL and its percentage control are shown in the Note under Part (A) above.

The controlling shareholder of SPSB and its percentage control are shown in the Note under Part (B)(c) above.

The controlling shareholder of HLI and its percentage control are shown in the Note under Part (B)(i) above.

(C) Others

Associated corporations in which Mr. Quek Leng Chan was deemed to be interested solely through his deemed controlling interest in HLCM and/or its subsidiaries:

Carsem (M) Sdn Bhd	Hong Leong Capital Berhad
Carter Realty Sdn Bhd	Hong Leong MSIG Takaful Berhad
Century Touch Sdn Bhd [#]	Hong Leong Yamaha Motor Sdn Bhd
Dynamic Talent Limited [*]	Kwok Wah Hong Flour Company Limited [#]
GLL IHT Pte. Ltd. [*]	Lam Soon (Hong Kong) Limited
Guangzhou Lam Soon Food Products Limited	Luck Hock Venture Holdings, Inc.
Guocera Tile Industries (Meru) Sdn Bhd	Southern Steel Berhad
Hong Leong Assurance Berhad	Southern Pipe Industry (Malaysia) Sdn Bhd

* In respect of interests in debentures only

In members' voluntary liquidation

The Company has applied for and the Stock Exchange has granted a waiver from full compliance with the disclosure requirements in respect of details of the deemed interests of Mr. Quek Leng Chan in the above associated corporations under Paragraph 38(1) of Part B of Appendix 1 to the Listing Rules.

3. DISCLOSURE OF OTHER INTERESTS**(A) Interests in competing business**

Save as disclosed below, so far as the Directors are aware, none of the Directors or their respective close associates have any interest in any business which competes or likely to compete with the business of the Group under Rule 8.10 of the Listing Rules as at the Latest Practicable Date:

Mr. Quek Leng Chan is a director and a deemed controlling shareholder, and Messrs. Kwek Leng Hai and Kwek Leng San are directors, of HLCM, a substantial shareholder of the Company. HLCM is a conglomerate based in Malaysia with diversified businesses in banking and financial services, manufacturing and distribution, property development and investment as well as hospitality and leisure business. The above Directors are considered as having interests in business, which is likely to compete, directly or indirectly, with the Group's business under Rule 8.10 of the Listing Rules.

(B) Interests in assets

Save as disclosed below, none of the Directors, or CBRE Limited, the independent valuer, was interested, directly or indirectly, in any assets which had been acquired or disposed of by or leased to (or were proposed to be acquired or disposed of or leased to) any member of the Group since 30 June 2015, being the date to which the latest published audited consolidated financial statements of the Group were made up:

- (a) On 3 July 2015, Hong Leong Real Estate Holdings Sdn Bhd, a wholly owned subsidiary of GuocoLand (Malaysia) Berhad which in turn is an indirect subsidiary of the Company, as vendor entered into a share sale agreement with Hong Leong Bank Berhad, an indirect subsidiary of Hong Leong Company (Malaysia) Berhad ("HLCM") as purchaser for the disposal of the entire issued

and paid up share capital of DC Tower Sdn Bhd for an indicative cash consideration of RM189,333,000 (equivalent to approximately HK\$354,110,000). DC Tower Sdn Bhd is holding the development and ownership rights of a 33-storey purpose-built stratified office building currently referred to as Office Tower A which is located within the on-going integrated development project known as Damansara City Kuala Lumpur.

Mr. Quek Leng Chan is a director and a deemed controlling shareholder of HLCM and thus is deemed to be interested in the aforesaid disposal transaction.

- (b) On 12 August 2015, Hong Leong Financial Group Berhad (“HLFG”), a 25.37% owned associated company of the Company and an indirect subsidiary of HLCM, with shares listed on Bursa Malaysia Securities Berhad, proposed to undertake a renounceable rights issue of new HLFG shares to raise a gross proceeds of up to RM1.1 billion (equivalent to approximately HK\$2.06 billion). Guoco Assets Sdn Bhd (“GASB”), a wholly owned subsidiary of the Company holding 25.37% in the total issued share capital of HLFG, has undertaken to subscribe for its entitlement of approximately RM279.06 million (equivalent to approximately HK\$521.93 million) of the proposed rights issue.

Mr. Quek Leng Chan is a director and a deemed controlling shareholder of HLCM and thus is deemed to be interested in the undertaking and the subscription of GASB of its entitlement of the proposed rights issue.

(C) Directors’ service contracts

As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contract with any member of the Group (excluding contracts to expire or which may be terminated by the employer within one year without payment of compensation (other than statutory compensation)).

(D) Interests in contracts or arrangements

Save as disclosed below, none of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant to the business of the Group:

As at the Latest Practicable Date, Mr. Quek Leng Chan is a director and a deemed controlling shareholder of HLCM, a substantial shareholder of the Company. Accordingly, he is deemed to be interested in the following transactions of the Company, which is significant to the business of the Group pursuant to the Listing Rules:

(a) Master Services Agreements

The following master services agreements dated 2 July 2014 were entered into by the Company with certain Hong Leong group companies for the provision by the latter of management services including overview of businesses and operations, investment management and financial management disciplines, treasury and risk management, key

managerial recruitment and retention as well as other operating practices and procedures, accounting, corporate advisory, legal, company secretarial and other services (the “Services”):

- (i) the master services agreement entered into by the Company with GuoLine Group Management Co. Limited (“GGMC”) and GOMC Limited (“GOMC”) for provision of the Services by GGMC or GOMC to the Company and/or the subsidiaries of the Company from time to time excluding those subsidiaries which are from time to time incorporated, resident or having principal place of business in Malaysia (“Malaysian Subsidiaries”); and
- (ii) the master services agreement entered into by the Company with HL Management Co Sdn Bhd (“HLMC”) for provision of the Services by HLMC to the Malaysian Subsidiaries,

(collectively, the “Master Services Agreements”).

The Master Services Agreements are for a term of three financial years from 1 July 2014 to 30 June 2017.

The fees payable under the respective Master Services Agreements comprise a monthly fee (the “Monthly Fee”) as agreed from time to time between the Company or such service recipient and the relevant service provider and an annual fee (the “Annual Fee”) equal to three per cent of the annual profit before tax of such service recipient as shown in its audited profit and loss account for the relevant financial year, subject to appropriate adjustment, if any.

The total fees, being the sum of the Monthly Fee, the Annual Fee and the total amount of any fees paid or payable by the Group to any Hong Leong Group company for services of a similar nature as the Services, are subject to an annual cap of HK\$475 million for each of the three financial years ending 30 June 2017.

GGMC, GOMC and HLMC are indirect wholly-owned subsidiaries of HLCM and thus they are associates of connected persons of the Company under the Listing Rules.

(b) Banking Transactions

The Group has from time to time entered into, and may in future enter into, among others, the following transactions with the authorised financial institutions within Hong Leong Group from time to time (collectively, “Hong Leong Financial Institutions”):

- (i) placing of deposits by the Group with Hong Leong Financial Institutions; and
- (ii) purchase of and/or subscription for debt securities issued by Hong Leong Financial Institutions by the Group,

(collectively, the “Banking Transactions”).

For the purpose of Rule 14A.53 of the Listing Rules, the outstanding balance of Banking Transactions from time to time shall be subject to a maximum of US\$190 million (equivalent to approximately HK\$1,473 million) or its equivalent in other currencies at any time during the three financial years ending 30 June 2018.

Hong Leong Financial Institutions are indirect subsidiaries of HLCCM and thus they are associates of connected persons (as defined under the Listing Rules) of the Company.

The Banking Transactions are part of the treasury activities of the Group and are conducted in the ordinary and usual course of its business.

4. LITIGATION

Save as the information set out under the section heading “Contingent Liabilities” in Appendix I of this Circular, so far as the Directors are aware, no member of the Group is engaged in any litigation, arbitration or claim of material importance and there is no litigation, arbitration or claims of material importance known to the Directors to be pending or threatened by or against any member of the Group as at the Latest Practicable Date.

5. MATERIAL CONTRACTS

Save as the Agreement entered into by GLC and the Purchaser in relation to the Transaction, the details of which are set out on pages 4 to 6 of this Circular, no material contract (not being a contract entered into in the ordinary course of business carried on by the Group) has been entered into by any member of the Group within the two years immediately preceding the Latest Practicable Date.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal office of the Company in Hong Kong at 50th Floor, The Center, 99 Queen’s Road Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this Circular:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual report of the Company for each of the two financial years ended 30 June 2014 and 2015;
- (c) the material contract referred to in paragraph 5 of this Appendix;
- (d) the property valuation report of CBRE Limited as set out in Appendix II of this Circular; and
- (e) this Circular.

7. MISCELLANEOUS

- (a) The secretary of the Company is Ms. Stella Lo Sze Man. She is a fellow member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Company Secretaries.
- (b) The registered office of the Company is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.
- (c) The principal office of the Company is 50th Floor, The Center, 99 Queen's Road Central, Hong Kong.
- (d) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investors Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) The English text of this Circular shall prevail over the Chinese text, in the case of any inconsistency.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has given or agreed to the inclusion of its opinion and advice in this Circular:

Name	Qualification
CBRE Limited	An independent professional property valuer

The expert set out above has confirmed that it does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group as at the Latest Practicable Date.

The expert set out above has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its report and/or references to its name, as the case may be, in the form and context in which they are included.