
SALE OF GUOMAN HOTEL SHANGHAI

GuocoLand Limited (“**GuocoLand**” or the “**Company**”) wishes to announce that its indirect wholly-owned subsidiary, Shanghai Xinhaolong Property Development Co., Ltd. (“**SHXHL**”), incorporated in the People’s Republic of China, has today entered into an agreement (the “**Agreement**”) with Shanghai Zhengjiu Industrial Co., Ltd (“**Shanghai Zhengjiu**”), a party unrelated to the Company, for the sale of SHXHL’s Guoman Hotel in Shanghai together with 256 underground car parking spaces (the “**Property**”) for an aggregate consideration of RMB1,440,960,000 (approximately S\$290.7 million) (hereinafter referred to as the “**Transaction**”).

The aforesaid consideration for the Transaction was agreed upon on a willing-buyer and willing-seller basis after arms-length negotiations, and will be satisfied wholly in cash by 4 instalments, with the first instalment of RMB288,192,000 (approximately S\$58.1 million) paid upon the execution of the Agreement. The net book value of the Property as at 31 March 2020 is about RMB509.5 million (approximately S\$102.8 million). Upon completion of the Transaction, GuocoLand Group is expected to recognise a net gain of approximately S\$90.6 million.

Pursuant to the Agreement, SHXHL may at its discretion sell up to another 44 underground car parking spaces (“**Optional Parking Spaces**”) to Shanghai Zhengjiu at a consideration of RMB160,000 per Optional Parking Spaces or at such other price as may be agreed by the parties. In this respect, SHXHL had, on execution of the Agreement, received a sum of RMB1,408,000 from Shanghai Zhengjiu as earnest money for the sale of the Optional Parking Spaces. In the event that SHXHL chooses not to sell the Optional Parking Spaces, SHXHL will return the said earnest money to Shanghai Zhengjiu in accordance with the Agreement.

The Transaction is carried out in the ordinary course of the Company’s business and provides an opportunity to realise the capital value of the Property. The net proceeds from the Transaction will be used for general working capital (including repayment of debts) of GuocoLand Group.

Save for any interest arising by virtue of their interest in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Transaction.

BY ORDER OF THE BOARD

MARY GOH SWON PING
Group Company Secretary

10 April 2020