



國浩集團有限公司

**Guoco Group Limited**

(Incorporated in Bermuda with limited liability)

(Stock Code: 53)

**DISCLOSEABLE TRANSACTION**

**Proposed Acquisition of Dongzhimen Site in Beijing by GuocoLand Limited**

The Company announced that GLL's wholly owned subsidiary, GLC, has on 13 April 2007 signed the Share Acquisition Agreement with BBJB and its Related Corporations to acquire a 90% stake in Beijing Cheng Jian Project Co. Beijing Cheng Jian Project Co owns the land use and development rights to a prime land parcel of 106,000 square metres with gross floor area of approximately 600,000 square metres located along the main thoroughfare of Dongzhimen Road on the East Second Ring Road in the Dong Cheng District of Beijing City.

The Proposed Acquisition constitutes a discloseable transaction for Guoco as the relevant percentage ratios of the Proposed Acquisition exceeds 5% but less than 25% under the Listing Rules. A circular containing further information on the Proposed Acquisition will be despatched to the shareholders of Guoco as soon as practicable.

**Entry into the Share Acquisition Agreement**

The Company announced that GLL's wholly owned subsidiary, GLC, has on 13 April 2007 signed the Share Acquisition Agreement with BBJB and its Related Corporations to acquire a 90% stake in Beijing Cheng Jian Project Co held as to 14.5% by BBJBS, 31.5% by Hainan Co and 44% by BBJB Related Company. BBJB will guarantee the transfer of the 44% held by BBJB Related Company.

**Dongzhimen Site and the Project**

Beijing Cheng Jian Project Co has a registered capital of RMB50 million and owns the land use and development rights to a prime land parcel of 106,000 square metres with gross floor area of approximately 600,000 square metres located along the main thoroughfare of Dongzhimen Road on the East Second Ring Road in the Dong Cheng District of Beijing City ("Dongzhimen Site"). The Dongzhimen Site is currently being developed into an integrated retail, hotel, office, residential and transportation terminal hub comprising two metro stations, a bus interchange and an express rail link with flight check-in services giving a quick 15-minute access to the Beijing International Airport. The term of the land use rights is 40 years for commercial land, 50 years for office land and 70 years for residential land.

**Consideration and Salient Terms of the Proposed Acquisition**

The consideration for the Proposed Acquisition is RMB5.8 billion (US\$750 million).

The consideration was agreed upon on a willing buyer and willing seller basis after taking into account a market valuation of RMB6.49 billion as at 31 December 2006 by the Valuer. The valuation represents the market value of the Dongzhimen Site for the land and the construction works thereon, assuming the relevant costs of the land and construction works incurred up to 31 December 2006 have been paid. The directors of the Company believe that the terms of the Proposed Acquisition are fair and reasonable and in the interest of the Company and its shareholders as a whole.

Details of the payment schedule of the consideration are as follows:

- RMB500 million (US\$64.6 million) was paid on 11 April 2007 after GLC confirmed that it would proceed with the signing of the Share Acquisition Agreement following the completion of its due diligence exercise and this amount as set out in the Share Acquisition Agreement was for the transfer of 100% of Hainan Co held by BBEI and BBGEI as to 80% and 20% respectively to GLC.  
Hainan Co holds a 31.5% stake in Beijing Cheng Jian Project Co. Hainan Co had liabilities amounting to approximately RMB5.9 million as at 31 December 2006. The unaudited net loss before and after taxation attributable to Hainan Co for the year ended 31 December 2006 was RMB0.2 million (2005 unaudited: RMB15.1 million).
- RMB220 million to be payable upon shareholders, board and other requisite government approvals for the vendors to transfer the aggregate of 58.5% interests in Beijing Cheng Jian Project Co to GLC and/or its nominees.
- RMB2.5 billion to be injected into Beijing Cheng Jian Project Co upon completion of the transfer of the aggregate of 58.5% interests in Beijing Cheng Jian Project Co and the receipt of requisite government approval on the capital increase of that company and up to RMB2 billion to be injected into Beijing Cheng Jian Project Co before 30 November 2007. Thereafter, the Proposed Acquisition will be considered as completed.
- RMB580 million to be payable after setting off valid claims against Beijing Cheng Jian Project Co, if any.

Following the completion of the transfer of 58.5% of Beijing Cheng Jian Project Co to GLC and/or its nominees, GLC will hold an aggregate interest of 90% in Beijing Cheng Jian Project Co. Beijing Cheng Jian Project Co will become a downstream subsidiary of GLL upon the issuance of a new business licence by the State Administration for Industry and Commerce. The remaining 10% shareholder of Beijing Cheng Jian Project Co is The Beijing City Dong Cheng District Residential Development Centre.

Beijing Cheng Jian Project Co recorded an unaudited net loss before and after taxation for the year ended 31 December 2006 of RMB3.3 million (2005 audited: RMB2.7 million) attributable to its operating expenses.

The total development cost of the Dongzhimen Site is estimated at approximately RMB10.0 billion (US\$1.3 billion) which includes the consideration of RMB5.8 billion under the Share Acquisition Agreement. The balance of RMB4.2 billion includes estimated further construction costs and project expenses of the Dongzhimen Site.

**Rationale**

The Proposed Acquisition is in line with GLL's strategy to build scalability in its property development, investment and management activities in the PRC which are currently in the major cities of Beijing, Shanghai, Nanjing and Tianjin. Together with this Proposed Acquisition, GLL's landbank in the PRC comprises gross floor area of approximately 2 million square metres.

**Listing Rules Implications**

The Proposed Acquisition constitutes a discloseable transaction for Guoco as the relevant percentage ratios of the Proposed Acquisition exceeds 5% but less than 25% under the Listing Rules. A circular containing further information on the Proposed Acquisition will be despatched to the shareholders of Guoco as soon as practicable.

**General**

Guoco is an investment holding company and the principal activities of its subsidiaries and associated companies include proprietary asset management, property development and investment, hospitality and leisure business as well

as financial services including banking and finance, insurance, fund management, stock and commodity broking and investment advisory.

GLL is a major property development and investment company based in Singapore and listed on SGX-ST. The principal business activities of its subsidiaries are property development, property investment and investment holding with embedded operations in Singapore, the PRC and Malaysia, as well as property interests in various countries in the region. GLC undertakes GLL's operations in the PRC and now has established a strong presence in the PRC and built a solid portfolio of quality assets in the major cities of Beijing, Shanghai, Nanjing and Tianjin.

Guoco would like to confirm that, to the best of its knowledge, information and belief having made all reasonable enquiry, BBJB, the Related Corporations and BBJB Related Company and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

GLL is currently reviewing its requirements for funding of the project, details of which will be announced in due course by the Company as appropriate.

As at the date of this announcement, the board of directors of Guoco comprises Mr. Quek Leng Chan as Executive Chairman; Mr. Kwek Leng Hai as President, CEO; Mr. Tan Lim Heng and Mr. James Eng, Jr. as executive directors; Mr. Kwek Leng San as non-executive director and Mr. Sat Pal Khattar, Mr. Volker Stoeckel and Mr. Ding Wai Chuen as independent non-executive directors.

**Definitions**

"BBJB"	Beijing Beida Jade Bird Limited (北京北大青鳥有限責任公司), a company incorporated in the PRC, whose business scope includes, among other things, technology development and services, sale of computer hardware and software, etc
"BBJB Related Company"	a related company of BBJB holding 44% interest in Beijing Cheng Jian Project Co.
"BBJBS"	Beijing Beida Jade Bird Security System Engineering & Technology Company Limited (北京北大青鳥安全系統工程技術有限公司), a company incorporated in the PRC and a subsidiary of BBGEI, whose business scope includes security system engineering and technology
"BBEI"	Beijing Beida Education Investment Company Limited (北京北大教育投資有限公司), a company incorporated in the PRC and a subsidiary of BBJB, whose business scope includes, among other things, education project investment, computer and technology related business
"BBGEI"	Beijing Beida Gongxue Education Investment Company Limited (北京北大公學教育投資有限公司), a company incorporated in the PRC and an associated company of BBJB, whose business scope includes, among other things, education project investment, computer and technology related business
"Beijing Cheng Jian Project Co"	Beijing Cheng Jian Dong Hua Real Estate Development Company Limited (北京城建東華房地產開發有限責任公司), a company incorporated in the PRC
"GLC"	GuocoLand (China) Limited, a wholly owned subsidiary of GLL
"Guoco" or the "Company"	Guoco Group Limited, the shares of which are listed on the Stock Exchange (Stock Code: 53)
"GLL"	GuocoLand Limited, a 63.9% owned subsidiary of Guoco, the shares of which are listed on the SGX-ST
"Hainan Co"	Hainan Jing Hao Asset Limited (海南京瀾實業有限公司), a company incorporated in the PRC
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"Proposed Acquisition"	the proposed transactions set out under the Share Acquisition Agreement
"Related Corporations"	BBEI, BBGEI, BBJBS, Hainan Co and Beijing Cheng Jian Project Co, which together with BBJB are counterparties to the Share Acquisition Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"Valuer"	Savills Valuation and Professional Services Limited, a qualified valuer independent of the Company and the parties to the Share Acquisition Agreement
"SGX-ST"	Singapore Exchange Securities Trading Limited
"Share Acquisition Agreement"	a conditional share acquisition agreement dated 13 April 2007 entered into by GLC with BBJB and its Related Corporations to acquire a 90% stake in Beijing Cheng Jian Project Co
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**Guoco Group Limited**  
Stella Lo Sze Man  
Company Secretary

Hong Kong, 16 April 2007

*Please also refer to the published version of this announcement in South China Morning Post and Hong Kong Economic Journal.*