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國浩集團有限公司

Guoco Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 53)

DISCLOSEABLE TRANSACTION

Progress on the Proposed Acquisition of Dongzhimen Site in Beijing by GuocoLand Limited

Reference is made to the First Announcement. GLL announced that a further 13.5% stake in Beijing Cheng Jian Project Co has been transferred to Hainan Co and a further sum of consideration of RMB700 million (US\$91.0 million) was paid on 21 May 2007. Further to this transfer, GLC, through Hainan Co, now holds an aggregate interest of 45% in Beijing Cheng Jian Project Co.

Reference is made to the announcement made by Guoco on 16 April 2007 regarding the proposed acquisition of Dongzhimen site in Beijing by GLC (the “First Announcement”). Capitalised terms used in this announcement have the same meaning as those defined in the First Announcement unless otherwise stated.

GLL announced that a further 13.5% stake in Beijing Cheng Jian Project Co has been transferred to Hainan Co and a further sum of the consideration of RMB700 million (US\$91.0 million) was paid on 21 May 2007. Further to this transfer, GLC, through Hainan Co, now holds an aggregate interest of 45% in Beijing Cheng Jian Project Co.

Pursuant to a supplemental agreement dated 21 May 2007, the parties agreed that a further RMB100 million (US\$13.0 million) will be payable after the completion of the transfer of the remaining 45% interests in Beijing Cheng Jian Project Co to GLC and/or its nominees and RMB4.5 billion (US\$585 million) will be injected into Beijing Cheng Jian Project Co in tranches after receipt of requisite government approval on capital increase of that company as set out in the First Announcement. There is no change to the total consideration of RMB5.8 billion (US\$754 million) for the Proposed Acquisition.

(For reference only, the exchange rate of RMB:US\$ as referred to in this announcement is RMB7.6951:US\$1.)

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.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 22 May 2007

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