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CONNECTED TRANSACTIONS
GRANT OF OPTIONS BY GUOCOLEISURE LIMITED TO DIRECTORS OF ITS SUBSIDIARY

Guoco was informed by GL that it had granted conditional options in respect of an aggregate of up to 9.5 million existing GL Shares on 5 October 2007 to two directors of a wholly owned subsidiary of GL.

The Grant of Options constituted connected transactions for Guoco under Chapter 14A of the Listing Rules. Details of the Grant of Options will be included in Guoco's next published annual report and accounts in compliance with Rules 14A.45 and 14A.46 of the Listing Rules.

GRANT OF OPTIONS

The board of directors of GL had approved the Scheme in 2003 to allow the grant of options over existing GL Shares to eligible participants and a trust was set up to purchase GL Shares for the purpose of satisfying the exercise of options granted pursuant to the Scheme. Guoco has made an announcement pursuant to the continuing connected transaction requirements under Chapter 14A of the Listing Rules on 16 December 2005 that GL may finance the trust to acquire GL shares for the purpose of the Scheme from time to time subject to a maximum cap of S\$60 million.

Guoco was informed by GL that it had granted conditional options in respect of an aggregate of up to 9.5 million existing GL Shares on 5 October 2007 to the following directors of Guoman Hotels Limited, a wholly owned subsidiary of GL, pursuant to the Scheme in consideration of the payment of S\$1.00 by each of the Grantees:

<u>Name of Grantees</u>	<u>No. of GL Shares under the Options</u>
Tim Scoble	up to 8,000,000
Steve Bailey	up to 1,500,000

The Options are not transferable, and are granted subject to, among other things, fulfilment of certain performance conditions for the vesting of the Options pursuant to the terms of the Scheme. The exercise price for each GL Share under the Options is S\$1.43, which was determined based on the closing price per GL Share on the SGX-ST on the date that the principles of the performance conditions were agreed with the Grantees. Based on the Exercise Price, the aggregate value of consideration for the Relevant GL Shares under the Options is S\$13,585,000 (approximately HK\$71,249,000). The closing price per GL Share on the SGX-ST as at the Date of Grant was S\$1.32.

Subject to certain financial and performance targets being met by the Grantees during the performance periods, the first tranche of 30% of the GL Shares under the vested Options are exercisable on or after June 2009 and the second tranche of 70% of GL Shares under the vested Options are exercisable on or after June 2011 in accordance with the Scheme Rules.

The audited consolidated net loss before tax and audited consolidated net profits after tax of the GL Group for the year ended 30 June 2006 were US\$21.8 million (approximately HK\$170.0 million) and US\$38.9 million (approximately HK\$303.4 million) respectively. The audited consolidated net profits of the GL Group before and after tax for the year ended 30 June 2007 were US\$4.8 million (approximately HK\$37.4 million) and US\$12.6 million (approximately HK\$98.3 million) respectively. The net asset value of the GL Group as at 30 June 2007 was US\$1,067.1 million (approximately HK\$8,323.1 million).

RATIONALE

The Grantees are directors and senior executives of Guoman Hotels Limited, a wholly owned subsidiary of GL, with key responsibilities to drive the future growth of the hotel business of the GL Group in the United Kingdom.

The Grant of Options pursuant to the Scheme provides incentives to the Grantees to align their interests with the performance of GL, with a view to improving its operations. In view of the potential benefits to GL and its shareholders including Guoco which is the majority shareholder controlling 59.3% interests in its issued share capital, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Grant of Options are on normal commercial terms, and it is fair and reasonable and in the interests of Guoco and its shareholders for GL to grant the Options to the Grantees.

CONNECTED TRANSACTIONS

GL is a subsidiary of Guoco. Accordingly the Grantees who are directors of a wholly owned subsidiary of GL are deemed connected persons of Guoco under the Listing Rules. The Grant of Options to the Grantees constituted connected transactions for Guoco under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios under the Listing Rules in respect of the Grant of Options exceed 0.1% but are less than 2.5%, the Grant of Options is only subject to the announcement requirements under Chapter 14A of the Listing Rules. Details of the Grant of Options will be included in Guoco's next published annual report and accounts in compliance with Rules 14A.45 and 14A.46 of the Listing Rules.

The delay in disclosing the Grant of Options pursuant to the connected transaction requirements under the Listing Rules was due to staff turnover of GL in Singapore responsible for handling the administrative matters of the Scheme and was an isolated incident of inadvertent oversight in the transitional period in reporting the Grant of Options by GL to Guoco.

INFORMATION ON THE GUOCO GROUP AND THE GL GROUP

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, stock and commodity broking, investment advisory, banking and finance, insurance, fund management and merchant banking.

The GL Group's core operating assets include Guoman Hotels Group and Clermont Leisure (UK) Limited (a licensed gaming operator) in the United Kingdom and other investment projects including development properties on the island of Molokai in Hawaii and resort and development properties in Denarau, Fiji as well as the oil and gas royalty in Australia's Bass Strait.

As at the date of this announcement, the Board 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.

(For reference only, the exchange rates of S\$:HK\$ and US\$:HK\$ as referred to in this announcement are S\$1:HK\$5.244677 as at the Date of Grant and US\$1:HK\$7.799750 as at 18 February 2008.)

DEFINITIONS

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

"Board"	the board of directors of the Company
"Company" or "Guoco"	Guoco Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange

“Date of Grant”	5 October 2007
“Directors”	the directors of the Company
“GL”	GuocoLeisure Limited, a 59.3% controlled subsidiary of the Company with primary listing on SGX-ST and secondary listing on the London Stock Exchange and the New Zealand Stock Exchange
“GL Group”	GL and its subsidiaries
“GL Share(s)”	ordinary share(s) of par value US\$0.20 each in the issued share capital of GL
“Guoco Group”	Guoco and its subsidiaries
“Grant of Options”	the grant of options in respect of the Relevant GL Shares to the Grantees pursuant to the Scheme
“Grantees”	Messrs. Tim Scoble and Steve Bailey, directors (who are also senior executives) of a wholly owned subsidiary of GL
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Options”	the rights to acquire up to the Relevant GL Shares pursuant to the Scheme
“Relevant GL Shares”	9,500,000 existing GL Shares
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Scheme”	The GuocoLeisure Value Creation Incentive Share Scheme (formerly known as The BIL Value Creation Incentive Share Scheme)
“Scheme Rules”	the rules of the Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S\$”	Singapore dollars, the lawful currency of the Republic of Singapore
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 18 February 2008