



國浩集團有限公司

Guoco Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 53)

ANNOUNCEMENT – STATEMENT MADE BY GUOCOLAND (CHINA) LIMITED

Guoco Group Limited (“Guoco”) refers to the previous update on the development of the Dongzhimen project in the People’s Republic of China on 18 April 2008 relating, among others, to the claim by Shenzhen Development Bank (“SDB”) against Beijing Cheng Jian Dong Hua Real Estate Development Company Limited (“CJDH”), a subsidiary of GuocoLand (China) Limited (“GLC”), which is in turn a subsidiary of GuocoLand Limited.

The following is the English translation of the statement made by GLC and CJDH on 16 May 2008 in response to an announcement by SDB on 15 May 2008.

Shenzhen Development Bank (“SDB”) announced in May 2008 that it had entered into a settlement agreement (the “Settlement Agreement”) with Beijing Beida Jade Bird Company Limited (“BBJB”), Beijing Dong Hua Guang Chang Zhi Ye Co Ltd and Beijing Cheng Jian Dong Hua Real Estate Development Company Limited (“CJDH”) regarding the loan of RMB1.5 billion, pursuant to which CJDH has purportedly agreed to pay RMB1 billion to SDB.

In this respect, GuocoLand (China) Limited (“GLC”) and CJDH hereby issue the following statement:

The aforesaid Settlement Agreement is illegal, having been signed in bad faith by BBJB and SDB. Pursuant to the provisions of the Contract Law of the People’s Republic of China, the Settlement Agreement is unenforceable.

GLC has fulfilled all of its payment obligations under the agreement with BBJB in respect of the acquisition of the 90% shareholding in CJDH in 2007. CJDH is currently under the physical control of and management by GLC.

At present, the change of the industrial and business registration procedure has yet to be completed owing to obstacles engineered by BBJB. GLC has commenced legal proceedings at the Intermediate People’s Court of Haikou City and the First Intermediate People’s Court of Beijing seeking an order that BBJB transfers the 90% shareholding in CJDH to GLC. The Court has already made an asset preservation order in respect of GLC’s 90% equity interest in CJDH. In addition, the former legal representative of CJDH, Xu Zhen Dong, and all the former directors of CJDH nominated by BBJB had tendered irrevocable resignations in 2007. BBJB has no authority to enter into any agreement or to engage in any legal proceedings on behalf of CJDH.

The High Court of Beijing had ruled in civil case no. 1371 of 2005 that CJDH was neither a borrower nor guarantor of the RMB1.5 billion loan from SDB and did not have any legal obligation in respect of payment therefor.

Hence, both GLC and CJDH do not recognise the aforesaid purported Settlement Agreement and reserve their respective rights against all parties and persons concerned.

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, 20 May 2008