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Renewal of Continuing Connected Transactions – Finances for Share Purchases for the Executives Share Option Scheme of GuocoLand (Malaysia) Berhad

This announcement is to comply with the disclosure requirements under the Listing Rules on continuing connected transactions to allow the GLM Group to continue to provide finances to the Trust for the Share Purchases for the purpose of the GLM ESOS during the three financial years ending 30 June 2012.

Since the applicable percentage ratios under the Listing Rules of the New Cap are less than 2.5%, the continuing connected transactions are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Guoco will also comply with Rules 14A.37 to 14A.41 of the Listing Rules in relation to annual review of the continuing connected transactions. Details of the finances by the GLM Group will be included in Guoco's relevant published annual report and accounts in compliance with Rules 14A.45 and 14A.46 of the Listing Rules.

FINANCES FOR SHARE PURCHASES

Reference is made to the announcement of Guoco dated 1 June 2007 regarding, among others, the provision of finances by the GLM Group to the Trust for Share Purchases for the GLM ESOS. The GLM ESOS allows grant of Options over both newly issued and existing GLM Shares. Such finances are expected to be repaid from the exercise price to be paid by the Option Holders upon exercise of the Options.

The maximum aggregate value of the finances to be provided by the GLM Group for the Share Purchases is subject to a maximum of RM150 million (approximately HK\$329 million) during the three financial years ending 30 June 2009 and such maximum amount will expire after 30 June 2009.

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MAXIMUM AGGREGATE AMOUNT

For the purpose of Rule 14A.35(2) of the Listing Rules, the maximum aggregate value of the finances to be provided by the GLM Group for the Share Purchases shall be subject to a new maximum of RM83 million or its equivalent in other currencies (approximately HK\$182 million) (the "New Cap") at any time during the three financial years ending 30 June 2012.

The basis of the New Cap is arrived at having regard to the expected number of GLM Shares comprised under the Options to be granted under the GLM ESOS and the expected acquisition prices of the Share Purchases based on the prevailing market price of GLM Shares and allowing for the possibility that the GLM share price may increase in future.

The maximum outstanding amount of finances provided by the GLM Group to the Trust during the period from 1 July 2006 and up to the date hereof as well as the outstanding amount of such finances as at the date hereof are both approximately RM23.9 million (approximately HK\$52.4 million).

RATIONALE

The GLM ESOS allows GLM to satisfy the exercise of Options through the issue of new GLM Shares and/or the transfer of existing GLM Shares.

The provision of finances for the Share Purchases is to facilitate the satisfaction of the exercise of Options by transferring existing GLM Shares. The grant of Options over existing GLM Shares eliminates the dilution effect on shareholders' interests and GLM's capital base as well as the uncertainty of the timing of dilution. GLM will be in a position to structure incentives for the Eligible Participants in order to align their interests with the performance of the GLM Group, with a view to improving the operations of the GLM Group.

In view of the benefits of the GLM ESOS to GLM and its shareholders including Guoco which, through GuocoLand Limited, controls 65.0% of GLM's issued share capital, the directors of Guoco (including the independent non-executive directors) are of the opinion that, the provision of finances by the GLM Group for the Share Purchases is in the ordinary and usual course of business of Guoco and is, and will be, on normal commercial terms, and is fair and reasonable and in the interests of the Group and the shareholders of Guoco as a whole.

LISTING RULES IMPLICATIONS

Chief executives and directors of the GLM Group, who may be Eligible Participants of the GLM ESOS and thus may become beneficiaries of the Trust, are deemed to be connected persons of Guoco under the Listing Rules. The provision of finances by the GLM Group to the Trust for the Share Purchases from time to time constitutes continuing connected transactions for Guoco under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios under the Listing Rules of the New Cap are less than 2.5%, the continuing connected transactions are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Guoco will also comply with Rules 14A.37 to 14A.41 of the Listing Rules in relation to annual review of the continuing connected transactions. Details of the finances provided by the GLM Group will be included in Guoco's relevant published annual report and accounts in compliance with Rules 14A.45 and 14A.46 of the Listing Rules.

If GLM grants Options to Eligible Participants who are connected persons of Guoco in future, Guoco will comply with the requirements under Chapter 14A of the Listing Rules as appropriate.

GENERAL

Guoco is an investment holding company and the principal activities of its subsidiaries and associated companies encompass principal investments, property development and investment, hospitality and leisure business, stock and commodity broking, investment advisory, banking and financing, insurance, fund management as well as merchant banking.

The principal activities of GLM are investment holding and provision of management services. The principal activities of its subsidiaries are property development, property investment, hotel operations, investment holding, trading in securities and provision of management services. The GLM Group's operations are substantially carried out in Malaysia.

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 and 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

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

“Eligible Participant(s)”	any executive(s) or director(s) of the GLM Group who has been selected by the GLM Board to participate in the GLM ESOS
“GLM”	GuocoLand (Malaysia) Berhad, a 65.0% controlled indirect subsidiary of Guoco, the shares of which are listed on Bursa Malaysia Securities Berhad
“GLM Board”	the board of directors of GLM or a duly authorised committee thereof or an individual authorised by the GLM Board
“GLM ESOS”	the Executives Share Option Scheme of GLM established on 23 January 2006, as modified for compliance with Chapter 17 of the Listing Rules and duly approved by the shareholders of Guoco on 1 June 2007
“GLM Group”	GLM and its subsidiaries from time to time
“GLM Shares”	ordinary share(s) of RM0.50 each in the capital of GLM
“Group”	Guoco and its subsidiaries from time to time
“Guoco”	Guoco Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 53)
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	the right(s) to acquire GLM Shares to be granted pursuant to the GLM ESOS
“Option Holder(s)”	the holder(s) of an Option
“RM”	Ringgit Malaysia, the lawful currency of Malaysia
“Share Purchases”	the purchases of existing GLM Shares by the Trust or other relevant transactions to enable the Trust to own interests in GLM Shares for the purpose of the GLM ESOS from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituted by the trust deed entered into between GLM and the trustee which is an indirect subsidiary of Hong Leong Company (Malaysia) Berhad, a substantial shareholder of Guoco

For reference only, the figures in RM referred to in this announcement have been translated into Hong Kong dollars on the basis of an assumed exchanged rate of RM1.00=HK\$2.193646.

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 30 June 2009