



## Conditions of the Main Subscription Agreement

Completion of the Main Subscription Agreement is conditional upon the following conditions being fulfilled (or waived by the Incoming Investors):

- the Shares remaining listed and traded on the Stock Exchange at all times prior to and on Completion, save for any temporary suspension not exceeding 10 consecutive trading days (which does not include the period prior to the entering of the Main Subscription Agreement) (or such longer period as the Incoming Investors jointly may accept in writing) or any temporary suspension in connection with the clearance of the announcement in relation to the Main Subscription Agreement, and no indication being received on or before Completion from the SFC or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange will or may be withdrawn or objected to (or conditions will or may be attached thereto) as a result of the Completion or in connection with the terms of the Main Subscription Agreement;
- the Main Subscription Agreement and the issue of the New Shares pursuant thereto, any appropriate increase in the authorised capital of the Company, the Put Option Agreements, the Property Management Agreements, the JV Sale Agreements and the Tai Po/Courtenay Sale Agreement, the Variation Agreement, the Share Option Agreements and the Whitewash Waiver being approved by the Company in general meeting by the Independent Shareholders;
- the Stock Exchange agreeing to grant a listing of and permission to deal in the New Shares to be issued pursuant thereto and the Shares to be issued pursuant to the Share Option Agreements and the Hutchison Option Agreement;
- the Put Option Agreements, the Property Management Agreements, the JV Sale Agreements and the Tai Po/Courtenay Sale Agreement and the Variation Agreement having been consented to by the Executive for the purposes of Rule 25 of the Code and being executed and delivered at Completion;
- all consents or approval of any relevant governmental authorities or other relevant third parties in Hong Kong, or elsewhere which are required or appropriate for the entry into and the implementation of the Main Subscription Agreement having been obtained, including all filings with any relevant governmental authorities or other relevant third parties in Hong Kong, or elsewhere which are required or appropriate for the entering into and the implementation of the Main Subscription Agreement having been made; all waiting periods required under the laws of Hong Kong or any other relevant jurisdictions having expired or terminated;
- the Executive granting the Whitewash Waiver;
- a “due diligence” investigation on the Company (including, but not limited to, the assets, liabilities, financial conditions, contracts, commitments and business) to be carried out having been satisfactorily completed by the Incoming Investors;
- all requisite consents for the transactions contemplated under the Main Subscription Agreement having been obtained from financial institutions which have entered into financing agreements with the Group (including any required in connection with the exercise of the Put Option Agreements or in connection with a change in control of the Company or any of its subsidiaries which would otherwise constitute a default under any contract) but for the avoidance of doubt this shall not apply to the JVs;
- Guoco Group executing the Undertaking and delivering it to the Incoming Investors and the Company;
- there being no material breach of the warranties given by the Company and Guoco Group under the Main Subscription Agreement;
- satisfactory evidence being supplied to the Incoming Investors that all banking facilities (of which about HK\$142 million are outstanding as at the date of this announcement) of the members of the Group have been fully repaid;
- satisfactory evidence being supplied to the Incoming Investors that all amounts due from the Company to Guoco Group and/or of its Associates and vice versa have been set off or repaid in full excluding any amounts due from or to JV1 and/or JV2 to or from Guoco Group and/or its Associates; and
- satisfactory evidence being supplied to the Incoming Investors that, save for the agreement which is a subject of the Variation Agreement, all contractual arrangements between Guoco Group and/or its Associates and any member of the group have been terminated, including but not limited to any administrative services agreement or management agreement.

The Incoming Investors jointly may in their absolute discretion at any time waive in writing any of the conditions (or any part thereof) except conditions (b) and such waiver may be made subject to such terms and conditions as are determined by the Incoming Investors jointly in their discretion. The Main Subscription Agreement is not conditional on the Hutchison Subscription Agreement and the Placing Agreement.

## Completion

Completion will take place on the business day following the day on which the conditions of the Main Subscription Agreement have been satisfied in full or such other date as may be agreed between the parties. It is expected that the date of completion of the Main Subscription Agreement will be in late May or early June, 2000. In the event that the conditions of Main Subscription Agreement are not fulfilled or waived on or by the day which is 3 months after the date of the Main Subscription Agreement, the Main Subscription Agreement will lapse. In addition, if the Whitewash Waiver is not granted by the SFC, the Main Subscription Agreement will lapse and the Transactions will not proceed.

## THE HUTCHISON SUBSCRIPTION AGREEMENT

### Date

25th March, 2000

### Parties

Trumpington (a wholly-owned subsidiary of Hutchison) and the Company. Trumpington and Hutchison are independent parties not connected with and not acting in concert with the directors, chief executive or substantial shareholders of the Company, any of its subsidiaries, or their respective Associates.

### Shares to be issued

75,400,000 New Shares representing about 29.8% of the existing issued share capital of the Company or 9.9% of the Enlarged Issued Share Capital. The New Shares will rank pari passu in all respects with all existing Shares in issue as at the date of the Hutchison Subscription Agreement.

### Subscription Price

HK\$3.00 per New Share (which was based on arm’s length negotiations) for a total of about HK\$226.2 million. Please refer to the section headed “Issue Price under the Subscriptions and the Placing” below.

### Conditions of the Hutchison Subscription Agreement

Completion of the Hutchison Subscription Agreement is conditional upon the following conditions being fulfilled:

- the Listing Committee of the Stock Exchange granting a listing of and permission to deal in the New Shares and the Shares to be issued under the Hutchison Option Agreement;
- the passing by the Independent Shareholders of a resolution at an extraordinary general meeting of the Company approving the issue of the New Shares and the Shares to be issued under the Hutchison Option Agreement ; and
- completion of the Main Subscription Agreement.

### Completion

Completion will take place within 2 business days following the day on which the conditions of the Hutchison Subscription Agreement have been satisfied in full or such other date as may be agreed between the parties. As completion of the Main Subscription Agreement is a condition to the completion of the Hutchison Subscription Agreement, it is also expected that the date of completion of the Hutchison Subscription Agreement will be in late May or early June, 2000.

Upon completion of the Hutchison Subscription Agreement, the Company and Trumpington will enter into the Hutchison Option Agreement.

### The Hutchison Option Agreement

**Parties:** the Company (grantor)  
Trumpington (a wholly-owned subsidiary of Hutchison) (grantee)

**the Share Option:** the option to subscribe Shares at any time during the exercise period in aggregate up to a maximum amount of HK\$34,711,271.10 at the subscription price

**Exercise Period:** Three years from date of the Hutchison Option Agreement

**Subscription Price:** HK\$3.45 per Share, initially, which was based on arm’s length negotiations. This initial price per Share is subject to adjustment on certain events including, but not limited to, share consolidation, share sub-division, share capitalisation and capital distribution.

**Shares to be obtained:** 10,061,238 Shares (based on the initial subscription price of HK\$3.45 per Share) representing about 4.0% of the existing issued share capital of the Company or about 1.2% of the Fully Diluted Issued Share Capital.

## THE PLACING AGREEMENT

### Date

25th March, 2000

### Parties

The Company and the Placing Agent. The Placing Agent is independent party not connected with the directors, chief executive or substantial shareholders of the Company, any of its subsidiaries, or their respective Associates.

### Shares to be placed

52,000,000 New Shares, representing approximately 20.5% of the existing issued share capital of the Company or about 6.8% of the Enlarged Issued Share Capital. The New Shares to be placed will rank pari passu in all respects with all existing Shares, including as to the right to receive all dividends and distributions declared, made or paid by the Company on or after the date of the Placing Agreement.

### Placing Price

HK\$3.00 per New Share (which was negotiated on arm’s length basis), equivalent to the issue price under the Subscription as stated above, for a total proceed of about HK\$156.0 million. Please refer to the section headed “Issue Price under the Subscriptions and the Placing” below.

### Placées

The placées are institutional or professional investors. The placées are independent of and not acting in concert with the Company, the directors, chief executive or substantial shareholders of the Company, any of its subsidiaries, or their respective Associates.

### Conditions and completion of the Placing

Completion of the Placing Agreement is conditional upon the following conditions being fulfilled:

- the Listing Committee of the Stock Exchange granting a listing of and permission to deal in the New Shares;
- the passing of a resolution by the Independent Shareholders at an extraordinary general meeting of the Company approving the issue of the New Shares; and
- completion of the Main Subscription Agreement.

Completion of the Placing shall take place on the second business day following the satisfaction of the conditions stated above or such other date as the Placing Agent and the Company may agree in writing.

## ISSUE PRICE UNDER THE SUBSCRIPTIONS AND THE PLACING

The issue price per New Share of HK\$3.00 under the Main Subscription Agreement, Hutchison Subscription Agreement and the Placing Agreement represents a discount of about 55.2% to the closing price of HK\$6.70 per Share as quoted on the Stock Exchange at the end of the morning session on 13th March, 2000, the day on which trading of the Shares was suspended at 2:30 p.m. and a discount of about 29.4% to the average closing price of HK\$4.25 per Share over the 10 trading days up to and including 13th March, 2000. Such issue price per Share also represents a discount of about 41.3% to the audited consolidated net tangible asset value per Share of about HK\$5.11 as at 30th June, 1999.

In negotiating the issue price for the New Shares under the Main Subscription Agreement and the Hutchison Subscription Agreement and that under the Share Option Agreements and the Hutchison Option Agreement (which is subject to adjustment), the directors of the Company took into account, amongst others, the following factors:

- The closing price per Share increased from HK\$4.20 on 10th March, 2000 to HK\$6.70 on 13th March, 2000, representing an increase of about 59.5% with a trading volume of 521,000 Shares. The Directors consider the increase in the price and the trading volume of the Shares on 13th March, 2000 may have been attributable to market speculation.
- The respective average closing prices per Share for the 60, 90 and 120 days periods up to and including 13th March, 2000 were about HK\$2.98, HK\$2.75 and HK\$2.63 respectively representing a discount of 0.7%, 8.3% and 12.3% to the placing price of HK\$3.00 per New Share.
- The audited consolidated net tangible asset value per Share as at 30th June, 1999 was HK\$5.11 (representing a premium of 70.33% to the subscription and placing price of HK\$3.00 per New Share). The shares in most property companies with similar market capitalisation of the Company listed on the Stock Exchange as at 24th March, 2000 were traded at about 65% discount to their respective audited consolidated net asset values per share.

## USE OF PROCEEDS FROM THE SUBSCRIPTIONS AND THE PLACING

The gross proceeds from the Subscriptions are estimated to amount to about HK\$1,372.8 million. The gross proceeds from the Placing are estimated to amount to about HK\$156.0 million. It is intended that the proceeds will be used principally to diversify the business of the Group to include, but not limited to, participation in the wireless Internet industry. The diversification will be conducted through various means including, but not limited to, internal development, investments, joint ventures, share swaps, cooperative arrangements and/or strategic alliances. Under the Put Option Agreements of the Main Subscription Agreement, the Company can sell all (but not part of) the shares in each of the Property-owning Companies, at an aggregate consideration of about HK\$606,745,000 to Guoco Group. If the Incoming Investors exercised the Put Option and assuming the Company did not use the proceeds to diversify the business of the Group and had not previously acquired other material non-cash assets, the assets of the Group would comprise principally of cash.

## SHAREHOLDING STRUCTURE

- Set out below is a table showing the existing shareholding structure, the structure on completion of the Transactions and the structure on completion of the Transactions and assuming that the Share Options are exercised in full at HK\$3.45 per Share.

	Existing		Upon completion of the Transactions		Upon completion of the Transactions and assuming that the Share Options are exercised in full at HK\$3.45 per Share	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Investor 1	–	–	104,000,000	13.6	117,877,570	14.3
Investor 2	–	–	153,400,000	20.1	173,869,414	21.1
Investor E	–	–	124,800,000	16.4	141,453,083	17.2
Trumpington	–	–	75,400,000	9.9	85,461,238	10.4
Subtotal	–	–	457,600,000	60.0	518,661,305	63.0
Existing controlling shareholders of the Company ( <i>Note</i> )	184,983,706	73.0	184,983,706	24.2	184,983,706	22.4
Mr. Tan Lim Heng (a director of the Company)	4,960,000	2.0	4,960,000	0.7	4,960,000	0.6
Other shareholders	–	–	–	–	–	–
– existing shareholders	63,315,583	25.0	63,315,583	8.3	63,315,583	7.7
– placeses	–	–	52,000,000	6.8	52,000,000	6.3
Total	253,259,289	100.0	762,859,289	100.0	823,920,594	100.0

*Note:* 134,331,206 Shares are held by GL Holdings Limited (a wholly-owned subsidiary of Guoco Group) and 50,652,500 Shares are held by First Capital Holdings (HK) Pte Ltd (a 52.75% subsidiary of Guoco Group). Guoco Group will agree in the Undertaking not to acquire further Shares if as a result the Company would no longer satisfy the “public float” requirement of the Listing Rules.

It is the intention of the Incoming Investors to maintain the listing of the Company on the Stock Exchange after Completion.

- Set out below is a table showing the existing shareholding structure and the structure on completion of the Transactions and assuming the full exercise of the Existing Warrants, and the structure on completion of the Transactions and assuming the full exercise of the Existing Warrants at HK\$8.8 per Share and the Share Options at HK\$3.45 per Share.

	Existing		Upon completion of the Transactions and assuming that the Existing Warrants are exercised in full at HK\$8.8 per Share		Upon completion of the Transactions and assuming that the Existing Warrants are exercised in full at HK\$3.45 per Share	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Investor 1	–	–	104,000,000	12.9	117,877,570	13.6
Investor 2	–	–	153,400,000	19.1	173,869,414	20.1
Investor E	–	–	124,800,000	15.5	141,453,083	16.4
Trumpington	–	–	75,400,000	9.4	85,461,238	9.9
Sub-total	–	–	457,600,000	56.9	518,661,305	60.0
Existing controlling shareholders of the Company	184,983,706	73.0	215,547,424	26.8	215,547,424	24.9
Mr. Tan Lim Heng (a Director of the Company)	4,960,000	2.0	4,960,000	0.6	4,960,000	0.6
Other shareholders	–	–	–	–	–	–
– existing shareholders	63,315,583	25.0	73,502,064	9.2	73,502,064	8.5
– placeses	–	–	52,000,000	6.5	52,000,000	6.0
Total	253,259,289	100.0	803,609,488	100.0	864,670,793	100.0

## TAKEOVERS CODE IMPLICATIONS

The Incoming Investors, Trumpington, Hutchison, Ericsson, Investor AB are parties acting in concert in relation to the Company for the purposes of the Takeovers Code. At present, the Incoming Investors, Trumpington, Hutchison, Ericsson and Investor AB and persons acting in concert with any of them for the purpose of the Takeovers Code do not own any Shares and are not interested in any Shares other than pursuant to the Subscription Agreements. Neither the Incoming Investors, Trumpington, Hutchison, Ericsson and Investor AB, nor persons acting in concert with any of them for the purposes of the Takeovers Code had dealt in Shares during the six months period prior to the date of this announcement.

Upon Completion, the Incoming Investors, Trumpington, Hutchison, Ericsson and Investor AB and persons acting in concert with any of them in respect of the Company for the purpose of the Takeovers Code will be interested in an aggregate of 457,600,000 Shares, (assuming no exercise of any Share Options) representing about 60.0% of the Enlarged Issued Share Capital and will be interested in 518,661,305 Shares, representing about 60.0% of the Fully Diluted Issued Share Capital. The existing shareholding structure and the shareholding structure on Completion are set out in the section headed “Shareholding structure” above.

**There will be no general offer for securities (including Shares) of the Company as a result of the Subscriptions.** Under Rule 26 of the Takeovers Code, upon Completion, the Incoming Investors, Trumpington, Hutchison, Ericsson and Investor AB and persons acting in concert with any of them in respect of the Company for the purpose of the Takeovers Code would be obliged to make an unconditional general offer for all the issued Shares not already owned or agreed to be acquired by the Incoming Investors, Trumpington or persons acting in concert with any of them for the purpose of the Takeovers Code. However, an application will be made by the Incoming Investors to the Executive for the Whitewash Waiver, which, if granted, would normally be subject to the approval of the Independent Shareholders of the Company who are not involved or interested in the Subscriptions on a vote taken by a poll. **If the Whitewash Waiver is not granted, the Transactions will not proceed.** The Guoco Group, Mr. Tan Lim Heng, Incoming Investors, Trumpington, Investor AB, Ericsson and Hutchison and their respective Associates and persons acting in concert with any of them for the purpose of the Takeovers Code (if any) will abstain from voting on the resolutions to approve the Transactions and the Special Deal/Connected Transactions.

## SPECIAL DEAL CONSENT

The Put Option Agreement, the JV Sale Agreements, the Tai Po/Courtenay Sale Agreement, Property Management Agreements and the Variation Agreement do or will constitute special deals under Rule 25 of the Takeovers Code and hence require consent from the Executive. An application will be made to the Executive for the Special Deal Consent which, if given, will be subject to an independent financial adviser to the Company stating that in its opinion the terms of the relevant agreements are fair and reasonable and the relevant agreements being approved by the Independent Shareholders at a special general meeting of the Company on a vote taken by way of a poll.

## INFORMATION ON THE GROUP

### Business

The Company is incorporated in Hong Kong with limited liability and its Shares are listed on the Stock Exchange. The Company is an investment holding company and its subsidiaries are principally engaged in the development of and investment in properties.

### Financial information

The following table set out a summary of the audited consolidated results of the Group for 1997, 1998 and 1999:

	Twelve months ended 31st March, 1997	Fifteen months ended 30th June, 1998	Twelve months ended 30th June, 1999
	HK\$ million	HK\$ million	HK\$ million
Turnover	43.6	140.1	313.1
Profit/(loss) attributable to shareholders	47.6	(182.3)	(722.9)

As at 30th June, 1999, the audited consolidated net asset value of the Group was approximately HK\$1,294 million.

## INFORMATION ON INCOMING INVESTORS

### Investor 1 and Investor 2

Both Investor 1 and Investor 2 are incorporated in Guernsey with limited liability. Both Investor 1 and Investor 2 are investment holdings companies and are wholly-owned subsidiaries of Investor AB.

It is intended that the New Shares to be subscribed by Investor 2 will be transferred to Investor Capital Partners – Asia Fund, LP upon closing of Investor Capital Partners – Asia Fund, LP which is expected to be in the second quarter of 2000. The said fund will be owned as to over 50% by Investor AB at the time of its closing and managed by Investor Capital Management Asia Limited, a wholly-owned subsidiary of Investor AB.

Investor AB, which is listed on the Stockholm Stock Exchange and the New York Stock Exchange, is Sweden’s largest holding company with a total net asset value close to US\$ 20 billion. It is a leading shareholder in a number of global companies, including ABB, AstraZeneca, Ericsson, Gambro, OM Gruppen, Saab, Scania, SEB and Stora Enso. In addition, through its New Investments arm, Investor AB has invested more than US\$890 million in over 95 early stage and growth companies in the technology and health care sector throughout Europe, Asia and the United States.

Investor AB’s primary objective is to create long-term growth and value for its shareholders. Consequently, Investor AB invests in companies where it can create value through active board participation, leveraging off the knowledge and experience of its extensive network.

Investor AB’s largest shareholders are the Wallenberg family foundations and a number of mutual and pension funds. Headquartered in Stockholm, Investor AB also has offices in New York, London, Hong Kong, Amsterdam and Palo Alto, California.

### Investor E

Investor E is incorporated in the Netherlands with limited liability. Investor E is a wholly-owned subsidiary of Ericsson.

Ericsson is a company of which the Series A and Series B shares are traded on the Stockholm Stock Exchange, and its Series B shares are traded on the exchanges in Dusseldorf, Frankfurt, Hamburg, London and Paris and on the Swiss Exchange in Switzerland. Its shares are also traded in the United States in the form of American Depositary Receipts through the NASDAQ system.

Mobile Internet is a focus area for Ericsson. About 70% of its turnover is related to mobile telecommunications, and as the number one provider of mobile infrastructure, Ericsson is in a lead position for the take-off in the new market for mobile Internet. Ericsson is the leading provider in the new telecom world, with communication solutions that combine telecom and datacom technologies with freedom of mobility for the users. With more than 100,000 employees in 140 countries, Ericsson simplifies communications for its customers – network operators, service provider, enterprises and consumers – the world over.

### General

Each of Investor 1, Investor 2, Investor AB, Investor E, Ericsson, Trumpington and Hutchison is independent of and not acting in concert with the directors, chief executive or substantial shareholders in respect of the Company, any of its subsidiaries or their respective Associates. Investor 1, Investor 2, Investor E, Trumpington, Investor AB, Ericsson and Hutchison are acting in concert with each other.

## INTENTIONS FOR THE GROUP

### Business

Immediately upon Completion, the principal assets of the Company will include the investment properties owned by the Property-owning Companies. It is the intention of the existing directors of the Company that the Group will continue the existing business of property investment and development in Hong Kong. The financial position and the operations of the Group will be reviewed to determine the appropriate strategy towards such business activities.

Upon completion of the Transactions, the Company plans to expand and diversify its business by leveraging expertise among its shareholders to develop a significant business in the wireless Internet industry with a primary focus in Asia. It will focus on capturing the growth opportunities in mobile technologies, applications, and content. Strategic alliances will position the Company to be a driving force behind the global convergence movement in the telecommunication sector.

There is no plan for the Incoming Investors to inject any assets or businesses owned by them into the Group.

### Directors of the Company

It is the intention of the Incoming Investors to nominate five directors to the board of directors of the Company, namely Mr. Claes Dahlbäck, Mr. Börje Ekholm, Ms. Winnie Fok, Mr. Galeazzo Scarampi del Cairo and Mr. Kjell Sörme upon Completion. It is the intention that the existing directors of the Company, other than Messrs. Kwek Leng Hai and Tan Lim Heng, will resign upon Completion. As such, the board of directors of the Company will comprise nine directors, including two independent non-executive directors (to be appointed).

Particulars of Mr. Claes Dahlbäck, Mr. Börje Ekholm, Ms. Winnie Fok, Mr. Galeazzo Scarampi del Cairo and Mr. Kjell Sörme are as follows:

Mr. Dahlbäck is the Executive Vice Chairman of Investor AB and will be appointed as the Chairman of the board of directors of the Company. In addition, he is also the Chairman of Gambro, Stora Enso, Vin & Spirit AB, EQT and the Vice Chairman of SEB.

Mr. Ekholm is the Global Head of the New Investments Area at Investor AB. In his current role, he is responsible for an investment program funded by Investor AB, with an allocation of US\$ 3 billion, in technology, healthcare, venture capital, and private equity.

Mr. Scarampi is the CEO of Investor Asia Limited. He joined Investor Asia in 1999 after 17 years with the Exor Group during which he served as president of Exor Asia Limited from 1993 to 1999 and was a member of the Exor Board of Management.

Ms. Fok is the Managing Director of Investor Asia Limited. She joined Investor Asia in 2000 and was previously managing the private equity arm of CEF Holdings Limited and Peregrine Investments Holdings Limited.

Mr. Sörme is the Head of Asia Pacific and an Executive Vice President of Ericsson. He joined Ericsson in 1966 and was previously the President of Ericsson Australia from 1990 to 1999. Mr. Sörme has extensive experience in switching systems, product design and management, and various other technical areas.

At Completion, the existing management and employees of the Company and its subsidiaries will be transferred to the DH Property Management. The Incoming Investors intend to nominate Ms. Fok as the interim chief executive officer of the Company upon the Completion.

## CHANGE OF COMPANY NAME

It is proposed that the name of Guoco Land Limited will be changed to reflect the change in control of the Company and the anticipated future development of the Company. The change of name will also be subject to the passing of a special resolution by the shareholders of the Company at an extraordinary general meeting to approve such change. A further announcement will be made as to the name change when appropriate.

## ADJUSTMENT TO THE SUBSCRIPTION PRICE OF THE EXISTING WARRANTS

As at the date of this announcement, there are outstanding rights under the Existing Warrants to subscribe in aggregate up to HK\$358,601,752.20 in cash for new Shares exercisable in whole or in part at any time up to 31st July, 2000 at an initial subscription price of HK\$11.80 per Share.

As a result of and subject to completion of the Subscription, the Placing and the issue of the Share Options, pursuant to the adjustment provisions in the instrument constituting the Existing Warrants, the subscription price of the Existing Warrants will be adjusted from HK\$11.80 per Share to HK\$8.80 per Share with effect from the close of business on the business day immediately preceding the date on which the Subscription and the Placing becomes effective. Such adjustment has been certified by a merchant bank.

## MAINTAINING THE LISTING OF THE COMPANY

It is the intention of the Incoming Investors to maintain the listing of the Company on the Stock Exchange after Completion. The directors of the Company will jointly and severally undertake to the Stock Exchange that appropriate steps will be taken with a view to ensuring that sufficient public float exists for the Shares within one month after Completion.

The Stock Exchange has stated that it will closely monitor trading in the Shares if less than 25% of the Shares is held by the public. If the Stock Exchange believes that:

- a false market exists or may exist in the Shares; or
- there are too few Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend trading in the Shares. In this connection, it should be noted that upon Completion, there may be insufficient public float for the Shares and therefore trading in the Shares may be suspended until a sufficient level of public float is attained.

**The Stock Exchange will also closely monitor all future acquisitions or disposals of assets by the Company. The Stock Exchange has indicated that it has the discretion to require the Company to issue a circular to its shareholders irrespective of the size of any proposed transactions, particularly when such proposed transactions represent a departure from the principal activities of the Company. The Stock Exchange also has the power to aggregate a series of transactions and any such transactions may result in the Company being treated as if it were a new listing applicant.**

## SUSPENSION AND RESUMPTION OF TRADING IN THE SECURITIES

Trading in the securities of the Company on the Stock Exchange was suspended at the request of the Company with effect from 2:30 p.m. on 13th March, 2000 pending release of this announcement. Application has been made by the Company for the resumption of trading in the securities of the Company with effect from 10:00 a.m. on 28th March, 2000.

## GENERAL

The entering into of the Special Deal/Connected Transactions does or will also constitute connected transactions for the Company under the Listing Rules.

An independent board committee of the board of directors of the Company will be appointed to consider the Transactions and the Special Deal/Connected Transactions. An independent financial adviser will be appointed to advise the independent board committee regarding the Transactions, the Special Deal/Connected Transactions and the Whitewash Waiver.

BNP Peregrine Capital has been appointed to act as financial adviser to the Incoming Investors in connection with the Transactions.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the New Shares to be issued under the Subscriptions and the Placing and the Shares to be issued upon the exercise of the Share Options under the Share Option Agreement and the Hutchison Option Agreement.

A composite document containing further details of the transactions contemplated under the Subscription Agreements and the Placing Agreements, the advice of the independent committee of the board of directors, the advice of the independent financial adviser (to be appointed) to that independent board committee, a property valuation report by an independent valuer on the property interests of the Group including the subject properties under the JV Sale Agreements and notice of a special general meeting, will be sent to the shareholders of the Company as soon as practicable. The Guoco Group, Mr. Tan Lim Heng, Incoming Investors, Trumpington, Investor AB, Ericsson and Hutchison and their respective Associates and persons acting in concert with any of them for the purposes of the Takeovers Code (if any) will abstain from voting on the resolutions to approve the Transactions and the Special Deal/Connected Transactions.

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Associate(s)”	has the meaning ascribed thereto under the Listing Rules
“BNP Peregrine Capital”	BNP Prime Peregrine Capital Limited, an investment adviser registered under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong)
“BNP Peregrine Securities”	BNP Prime Peregrine Securities Limited, a securities dealer registered under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong)
“Company”	Guoco Land Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Main Subscription Agreement
“DH Property Management”	Dao Heng Property Management Limited, a wholly-owned subsidiary of Guoco Group
“Directors”	the directors of the Company
“Enlarged Issued Share Capital”	the issued share capital of the Company as enlarged by the New Shares to be issued under the Subscriptions and the Placing only
“Ericsson”	Telefonaktiebolaget LM Ericsson, a company incorporated in Sweden with limited liability, the shares of which are primarily listed on the OM Stockholm Stock Exchange
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Existing Warrant(s)”	warrant(s) in units of HK\$11.80 of exercise moneys, each carrying the right to subscribe for new Shares at any time after the date of issue of the Warrants up to and including 31st July, 2000, at an initial subscription price of HK\$11.80 per Share, subject to adjustment
“Fully Diluted Issued Share Capital”	the issued share capital of the Company as enlarged by the New Shares to be issued under the Subscriptions and the Placing and assuming the Existing Warrants and the Share Options are exercised in full at HK\$8.80 per Share and HK\$3.45 per Share respectively
“Group”	the Company and its subsidiaries
“Guoco Group”	Guoco Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Guoco Management”	Guoco Management Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Guoco Group
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hutchison”	Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Hutchison Option Agreement”	an agreement to be entered into by the Company and Trumpington conferring upon Trumpington the right to subscribe for up to 10,061,238 new Shares (subject to adjustment) during a period of three years from the date of the agreement at an initial subscription price of HK\$3.45 per Share (subject to adjustment)
“Hutchison Subscription Agreement”	the subscription agreement dated 25th March, 2000 between the Company and Trumpington relating to the subscription for 75,400,000 Shares in aggregate
“Incoming Investors”	Investor 1, Investor 2 and Investor E
“Independent Shareholders”	shareholders of the Company other than the Incoming Investors, Hutchison, Guoco Group, Mr. Tan Lim Heng, Investor AB, Trumpington and Ericsson or their respective Associates and persons acting in concert with any of them
“Investor 1”	Investor (Guernsey) Limited, a company incorporated in Guernsey with limited liability and a wholly-owned subsidiary of Investor AB
“Investor 2”	Investor (Guernsey) II Limited, a company incorporated in Guernsey with limited liability and a wholly-owned subsidiary of Investor AB
“Investor AB”	Investor AB, a company incorporated in Sweden with limited liability, the shares of which are primarily listed on the OM Stockholm Stock Exchange
“Investor E”	Ericsson Holding International BV, a company incorporated in the Netherlands with limited liability and a wholly-owned subsidiary of Ericsson
“JV1”	Scorewell Corporation, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“JV2”	Reunification Properties Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“JVs”	JV1 and JV2
“JV Sale Agreements”	two agreements to be entered into between the Company and Guoco Group (to be effected and completed by way of instruments of transfer) for the sale by the Company of its entire interests in the issued share capital of the JVs
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Subscription Agreement”	the subscription agreement dated 25th March, 2000 between the Company, the Incoming Investors and Guoco Group, relating amongst other things to the subscription of 382,200,000 Shares in aggregate
“New Share(s)”	509,600,000 new Shares to be issued pursuant to the Subscriptions and the Placing at HK\$3.00 each
“Placing”	the placing of New Shares on the terms of the Placing Agreement
“Placing Agent”	BNP Prime Peregrine Securities
“Placing Agreement”	the placing agreement dated 25th March, 2000 and entered into between the Company and BNP Peregrine Securities in relation to the Placing
“Property Management Agreements”	management agreements to be entered into between the Company and Dao Heng Property Management Limited in respect of the management of the Property-owning Companies
“Property-owning Companies”	Supreme Goal Investments Limited (holder of the property located at 12th and 15th Floor, The Center, 99 Queen’s Road Central, Hong Kong); W.C.H. Limited (holder of the property located at 33rd, 34th and 35th Floor, Wu Chung House, 213 Queen’s Road East, Hong Kong); Wanchai Property Investment Limited (holder of the property located at 17-19, 22, 24-27th Floor, Penthouse, and Car Parks 9-14 OTB Building, 160 Gloucester Road, Hong Kong)
“Put Option Agreements”	the three put option agreements dated 25th March, 2000 granted by Guoco Group in favour of the Company pursuant to which Guoco Group granted the Put Options to the Company
“Put Options”	the options granted by Guoco Group to the Company in the Put Option Agreements giving it the right to require Guoco Group to purchase all (but not part) of the shares in the Property-owning Companies
“SFC”	Securities and Futures Commission
“Share Option(s)”	the option(s) to subscribe shares to be granted under the Share Option Agreements and the Hutchison Option Agreement (as the case may be)
“Share Option Agreements”	the agreements to be entered into by the Company and the Incoming Investors respectively conferring them the right to subscribe for up to 51,000,067 Shares (subject to adjustment) in aggregate during the period of the three years after the date of Completion at an initial subscription price of HK\$3.45 per Share (subject to adjustment)
“Share(s)”	share(s) of HK\$2.00 each in the share capital of the Company
“Special Deal Consent”	the consents from the Executive required in respect of certain of the Sub Agreements under Rule 25 of the Takeovers Code or any of them
“Special Deal/Connected Transactions”	the Put Option Agreement, the JV Sale Agreements, the Tai Po/Courtenay Sale Agreement, the Property Management Agreements and the Variation Agreement under the Main Subscription Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub Agreements”	the Put Option Agreements, the JV Sale Agreements, the Tai Po/Courtenay Sale Agreement, the Property Management Agreements, the Variation Agreement and the Share Option Agreements
“Subscriptions”	the subscriptions of the New Shares by the Incoming Investors and Trumpington on the terms of the Main Subscription Agreement and the Hutchison Subscription Agreement respectively
“Subscription Agreements”	the Main Subscription Agreement and the Hutchison Subscription Agreement
“Tai Po/Courtenay Sale Agreement”	agreement to be entered into between the Company and Guoco Group (to be effected and completed by way of instrument of transfer) for the sale by the Company of the entire issued share capital of Tai Po Limited (a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company) and the entire issued share capital of Courtenay Enterprises Limited (a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company)
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Transactions”	the Subscriptions and the Placing
“Trumpington”	Trumpington Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Hutchison
“Undertaking”	an undertaking to be given by Guoco Group at Completion not to acquire further Shares if as a result the Company would not comply with the “public float” requirements of the Listing Rules
“Whitewash Waiver”	a waiver from the obligation to make a general offer under the Takeovers Code pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code which will arise on Completion
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States

By Order of the board of  
**Investor (Guernsey) Limited**

By Order of the board of  
**Investor (Guernsey) II Limited**

By Order of the board of  
**Ericsson Holding International BV**

By Order of the board of  
**Guoco Group Limited**

By Order of the board of  
**Hutchison Whampoa Limited**

By Order of the board of  
**Trumpington Limited**

By Order of the board of  
**Guoco Land Limited**

Hong Kong, 27th March, 2000

*The directors of Investor (Guernsey) Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement insofar as it relates to Investor (Guernsey) Limited and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by Investor 1 in this announcement have been arrived at after due and careful consideration and there are no other facts relating to Investor (Guernsey) Limited not contained in this announcement, the omission of which would make any such statement in this announcement misleading.*

*The directors of Investor (Guernsey) II Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement insofar as it relates to Investor (Guernsey) II Limited and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by Investor (Guernsey) II Limited in this announcement have been arrived at after due and careful consideration and there are no other facts relating to Investor (Guernsey) II Limited not contained in this announcement, the omission of which would make any such statement in this announcement misleading.*

*The directors of Ericsson Holding International BV jointly and severally accept full responsibility for the accuracy of the information contained in this announcement insofar as it relates to Ericsson Holding International BV and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by Ericsson Holding International BV in this announcement have been arrived at after due and careful consideration and there are no other facts relating to Ericsson Holding International BV not contained in this announcement, the omission of which would make any such statement in this announcement misleading.*

*The directors of Hutchison Whampoa Limited and the directors of Trumpington Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement insofar as it relates to Hutchison Whampoa Limited or Trumpington Limited and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by Hutchison Whampoa Limited or Trumpington Limited in this announcement have been arrived at after due and careful consideration and there are no other facts relating to Hutchison Whampoa Limited or Trumpington Limited not contained in this announcement, the omission of which would make any such statement in this announcement misleading.*

*The directors of Guoco Group Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to Investor (Guernsey) Limited, Investor (Guernsey) II Limited, Ericsson Holding International BV, Hutchison Whampoa Limited and Trumpington Limited) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts (other than those relating to Investor (Guernsey) Limited, Investor (Guernsey) II Limited, Ericsson Holding International BV, Hutchison Whampoa Limited and Trumpington Limited) not contained in this announcement, the omission of which would make any such statement in this announcement misleading.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to Investor (Guernsey) Limited, Investor (Guernsey) II Limited, Ericsson Holding International BV, Hutchison Whampoa Limited, Trumpington Limited and Guoco Group Limited including Guoco Group Limited’s subsidiaries but excluding the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts (other than those relating to Investor (Guernsey) Limited, Investor (Guernsey) II Limited, Ericsson Holding International BV, Hutchison Whampoa Limited, Trumpington Limited and Guoco Group Limited including Guoco Group Limited’s subsidiaries but excluding the Group) not contained in this announcement, the omission of which would make any such statement in this announcement misleading.*