



Guoco Group Limited

國浩集團有限公司

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

On 2 January 2003, DBS Bank exercised the Call Option to purchase the Relevant Shares. The total proceeds amounted to approximately HK\$10,780 million will be received on 10 January 2003. The Company will apply the proceeds in investment opportunities that are consistent with the Board's objective of creating additional shareholder value for shareholders.

Reference is made to the circular of Guoco Group Limited (the "Company") dated 29 May 2001 (the "Circular") on the major transaction - disposal of interest in Dao Heng Bank Group Limited ("DHBG") under the voluntary conditional offer made by DBS Diamond Holdings Ltd. ("DBS Diamond"). The Company received, apart from cash consideration, 496,854,664 shares of DBS Diamond ("Relevant Shares") which are now under the ownership of its wholly owned subsidiary, Substantial Resources Limited ("SRL").

The Relevant Shares are subject to a call option (the "Call Option"), giving the right to The Development Bank of Singapore Ltd. ("DBS Bank") to require SRL to sell to DBS Bank, and a put option (the "Put Option"), giving the right to SRL to require DBS Bank to purchase, all of the Relevant Shares. The Call Option and the Put Option are exercisable within a period of seven (7) days following 31 December 2002 and the purchase price for each Relevant Share under the Call Option and the Put Option shall be HK\$21.70. The exercise of the Call Option will override that of the Put Option.

The board of directors of the Company (the "Board") would like to announce that on 2 January 2003, DBS Bank exercised the Call Option to purchase all of the Relevant Shares and SRL has executed relevant transfer documents on 3 January 2003. The total proceeds amounted to approximately HK\$10,780 million will be received by SRL five (5) business days from the date of exercise i.e. on 10 January 2003. The Company will apply the proceeds in investment opportunities that are consistent with the Board's objective of creating additional shareholder value for shareholders.

By order of the Board
Guoco Group Limited
Stella Lo Sze Man
Company Secretary

Hong Kong, 3 January 2003

*Please also refer to the published version of this announcement in
The Standard and Hong Kong Economic Journal.*