

INTERIM RESULTS

The Board of Directors of Guoco Group Limited (“the Company” or “the Group”) is pleased to announce that the unaudited consolidated profit attributable to shareholders of the Group for the six months ended 31 December 2001 is HK\$546 million, which represents a decrease of approximately 13% over the corresponding period last year. Basic earnings per share decreased by approximately 10% to HK\$1.33. Consolidated shareholders’ funds after share repurchase of HK\$5.35 billion have decreased to HK\$27.1 billion, representing a decrease of approximately 16% over the last financial year end of 30 June 2001.

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK\$0.40 per share amounting to HK\$129,633,000 (2000/2001 interim dividend: HK\$0.20 per share amounting to HK\$85,326,000) for the financial year ending 30 June 2002 which will be payable on 3 April 2002 to the shareholders whose names appear on the Register of Members on 28 March 2002.

SHARE REPURCHASE

A share repurchase offer was proposed by the Company in September 2001 to purchase by way of conditional cash offer of up to 86,000,000 outstanding shares (subject to the exercise of over-allocation right to increase up to 107,000,000 shares) at between HK\$50.00 and HK\$55.00 per share. The offer was approved by the independent shareholders of the Company at a Special General Meeting held on 14 November 2001.

On 26 November 2001, with the exercise of the over-allocation right, a total of 106,999,713 shares, representing approximately 24.82% of the total issued share capital of the Company were repurchased by the Company at the lower range of the price of HK\$50.00 per share. Total consideration paid by the Company was approximately HK\$5.35 billion.

The share repurchase exercise has provided a good opportunity and liquidity for those shareholders who sold the shares at a premium to receive cash while the remaining shareholders who held on their shares benefited from the enhanced value of their shares. Moreover, it is also in the best interest of the Company that a more efficient capital structure for the Company is achieved whilst maintaining a strong balance sheet which may be used to enhance the Company’s financial performance.