

**If you are in doubt** as to any aspect of this document, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold** all your shares in Guoco Group Limited, you should at once hand this document and the accompanying form of proxy to the purchaser or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information about certain resolutions to be proposed at the forthcoming Special General Meeting of Guoco Group Limited. The directors of Guoco Group Limited collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

---



國浩集團有限公司

**Guoco Group Limited**

*(Incorporated in Bermuda with limited liability)*

**GENERAL MANDATES  
TO ISSUE AND REPURCHASE SECURITIES  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

---

A letter from the Board (as defined herein) is set out on pages 2 and 3 of this circular. A notice convening the Special General Meeting of Guoco Group Limited to be held at Room 1505, 15th Floor, The Center, 99 Queen's Road Central, Hong Kong on Thursday, 20 November 2003 at 12:00 noon (or immediately following the conclusion or adjournment of the Annual General Meeting of the Company convened for the same date and venue at 11:30 a.m.) is set out on pages 7 to 9 of this circular. Whether or not you intend to attend the meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof as the case may be. Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

---

# CONTENTS

---

	<i>Pages</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	2
<b>Appendix I</b> .....	4
<b>Notice of the Special General Meeting</b> .....	7

---

## DEFINITIONS

---

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

“Annual General Meeting”	the annual general meeting of the Company to be held on 20 November 2003 at 11:30 a.m.;
“Board”	the board of directors of the Company;
“Company” or “Guoco”	Guoco Group Limited, an exempted company incorporated in Bermuda with limited liability;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Latest Practicable Date”	21 October 2003, being the latest practicable date before the printing of this document for ascertaining certain information;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Special General Meeting”	the special general meeting of the Company to be held on 20 November 2003 at 12:00 noon or immediately following the conclusion or adjournment of the Annual General Meeting;
“Shareholders”	holders of Shares;
“Shares”	shares of par value US\$0.50 each in the capital of the Company; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.



國浩集團有限公司  
**Guoco Group Limited**

*(Incorporated in Bermuda with limited liability)*

*Directors:*

Quek Leng Chan (*Executive Chairman*)

Kwek Leng Hai (*President, CEO*)

Sat Pal Khattar\*\*

Kwek Leng San\*

Peter Anthony Wakefield\*

Tan Lim Heng

James Eng, Jr.

Harry Richard Wilkinson\*\*

Jamal Al-Babtain\*

Tung Hsi Hui, Frank\*\*

*Registered Office:*

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

*Principal Office:*

50/F, The Center

99 Queen's Road Central

Hong Kong

\* *Non-executive Directors*

\*\* *Independent non-executive Directors*

28 October 2003

*To the shareholders of Guoco*

Dear Sir or Madam,

## **GENERAL MANDATES TO ISSUE AND REPURCHASE SECURITIES**

The purpose of this circular is to provide you with information in respect of resolutions to be proposed at the Special General Meeting for the granting of general mandates to the Directors to issue and repurchase Shares.

### **General Mandates to Issue and Repurchase Securities**

At the annual general meeting of the Company held on 22 November 2002, ordinary resolutions were passed granting general mandates to the Directors, inter alia, (i) to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at 22 November 2002; and (ii) to allot, issue and deal with additional Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at 22 November 2002 and those Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at 22 November 2002 repurchased by the Company (collectively referred to as "Existing General Mandates"). A copy of such resolutions had been delivered to the Stock Exchange in accordance with the Listing Rules. The Company had previously sent to the Shareholders an explanatory statement regarding the Existing General Mandates in compliance with the Listing Rules.

---

## LETTER FROM THE BOARD

---

In accordance with the provisions of the Listing Rules and the terms of the Existing General Mandates, the Existing General Mandates shall lapse if, inter alia, they are revoked or varied by an ordinary resolution of the Shareholders in general meeting or at the conclusion of the next annual general meeting of the Company, whichever is earlier.

The Existing General Mandates will lapse at the conclusion of the Annual General Meeting of the Company. Accordingly, new general mandates to issue and to repurchase securities, respectively, as set out in ordinary resolution nos. 1, 2 and 3 of the notice of the Special General Meeting on pages 7 to 9 of this circular, are now proposed to be granted. With reference to the proposed new general mandates, the Directors wish to state that, as at the date hereof, they have no immediate plans to repurchase any existing Shares or to issue any new securities pursuant to the relevant mandates.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to repurchase securities is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Special General Meeting.

### **Special General Meeting**

A notice convening the Special General Meeting is set out on pages 7 to 9 of this circular.

A form of proxy for use at the Special General Meeting is enclosed. Shareholders are requested to complete the form of proxy and return it to the principal office of the Company at 50/F., The Center, 99 Queen's Road Central, Hong Kong in accordance with the instructions printed on it not less than 48 hours before the time fixed for holding the meeting or any adjourned meeting as the case may be, whether or not they intend to be present at the meeting.

### **Recommendation**

The Directors believe that the granting of the mandates to repurchase Shares and issue Shares are in the best interests of the Company and accordingly recommend Shareholders to vote in favour of the relevant resolutions set out in the notice of the Special General Meeting on pages 7 to 9 of this circular.

Yours faithfully,  
For and on behalf of the Board  
**Quek Leng Chan**  
*Executive Chairman*

---

## APPENDIX I

---

### GENERAL MANDATE TO REPURCHASE SHARES

At the Special General Meeting, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate (the “Repurchase Mandate”) to exercise all the powers of the Company to repurchase on the Stock Exchange the issued and fully paid Shares in the capital of the Company. Under such mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the share capital of the Company in issue on the date of the resolution.

Shareholders should note that the Repurchase Mandate covers purchases made only during the period ending on the earliest of the date of the next annual general meeting of the Company, the date by which the next annual general meeting of the Company is required to be held by its Bye-Laws or any applicable laws and the date upon which such authority is revoked or varied.

On the Latest Practicable Date, 327,211,373 Shares were in issue. Assuming that there are no changes (from the Latest Practicable Date to the date of the Special General Meeting) in the Company’s issued share capital, the maximum number of Shares that may be repurchased by the Company pursuant to the Repurchase Mandate will be 32,721,137.

### DIRECTORS AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of their associates has a present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company on the Stock Exchange.

No persons who are connected persons (who are the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their associates (as defined in the Listing Rules)) have notified the Company that they have a present intention to sell Shares to the Company or have undertaken not to sell any of the Shares held by them to the Company, in the event that the Company is authorised to make purchases of Shares, on the Stock Exchange.

### DIRECTORS’ UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and all applicable laws of Bermuda and in accordance with the regulations set out in the Company’s Memorandum of Association and Bye-Laws.

### EFFECT OF THE HONG KONG CODE ON TAKEOVERS AND MERGERS

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a shareholder’s proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition and may give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Hong Kong Code on Takeovers and Mergers (“Takeovers Code”).

---

## APPENDIX I

---

As at the Latest Practicable Date, Guoline Overseas Limited (“GOL”) held a beneficial interest of approximately 41.88% of the issued share capital of the Company. In the event of the Directors exercising in full the powers to repurchase Shares pursuant to the Repurchase Mandate, assuming that no Share is sold by GOL or its associates, the shareholding of GOL in the Company would be increased to approximately 46.53%. An obligation to make a general offer to shareholder under Rule 26 of the Takeovers Code will arise.

The Directors do not propose to exercise the Repurchase Mandate to such extent as to result in any substantial shareholder’s incurring an obligation to make an offer under the Takeovers Code unless and until a waiver of such obligation under the Takeovers Code shall have been obtained from the Executive Director of the Corporate Finance Division of the Securities and Futures Commission.

### **LISTING RULES FOR REPURCHASE OF SHARES**

#### **Shareholders’ Approval**

The Listing Rules provide that all securities repurchased on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific resolution in relation to specific transaction.

#### **Reasons for Repurchase**

The Directors consider that the Repurchase Mandate will provide the Company with the flexibility to make such repurchases when appropriate and beneficial to the Company and its shareholders. Such purchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share.

#### **Source of Funds**

Repurchases must be made from internal resources, borrowings and/or other funds legally available for the purpose in accordance with the Company’s Memorandum of Association and Bye-Laws and the laws of Bermuda. The laws of Bermuda provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant Shares, or the funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a fresh issue of Shares made for the purpose. The amount of premium payable on the purchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company.

On the basis of the consolidated financial position of the Company as at 30 June 2003 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position of the Company and the number of Shares in issue, the Directors consider that there will not be a material impact on the working capital or the gearing position of the Company in the event that the proposed purchases were to be carried out in full at any

---

## APPENDIX I

---

time during the proposed repurchase period. No purchase would be made in circumstances that would have a material adverse impact on the working capital of the Company (as compared with the position disclosed in the latest published audited financial statements) unless the Directors consider that such purchases were in the best interests of the Company.

### SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

### GENERAL

During each of the twelve months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2002</b>		
October	45.70	44.30
November	47.80	45.60
December	46.70	45.60
<b>2003</b>		
January	47.10	45.60
February	46.60	45.00
March	45.80	43.80
April	46.00	45.00
May	53.50	44.90
June	53.75	51.00
July	53.75	51.00
August	51.75	50.25
September	53.75	51.00



---

## NOTICE OF SPECIAL GENERAL MEETING

---



### 國浩集團有限公司 **Guoco Group Limited**

*(Incorporated in Bermuda with limited liability)*

**NOTICE IS HEREBY GIVEN THAT** a special general meeting of Guoco Group Limited (“the Company”) will be held at Room 1505, 15th Floor, The Center, 99 Queen’s Road Central, Hong Kong on Thursday, 20 November 2003 at 12:00 noon or immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at the same venue on the same day at 11:30 a.m. for the following purposes:

To consider and, if thought fit, pass with or without amendments, the following ordinary resolutions:

1. **“THAT:**

- (a) subject to paragraph (b), the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to repurchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited, subject to and in accordance with all applicable laws and the Bye-Laws of the Company, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be purchased by the Directors of the Company pursuant to the approval in paragraph (a) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meeting.”

---

## NOTICE OF SPECIAL GENERAL MEETING

---

2. “THAT:

- (a) subject to paragraph (b), the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot and issue additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to:
  - (i) a Rights Issue;
  - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company;
  - (iii) the exercise of any option under the Company’s share option schemes; or
  - (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-Laws of the Company,

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution and this approval shall be limited accordingly; and

- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the

---

## NOTICE OF SPECIAL GENERAL MEETING

---

Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

3. “**THAT** conditional upon the passing of resolution nos. 1 and 2 of the notice convening this meeting, the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot shares pursuant to resolution no. 2 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 1, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution.”

By Order of the Board  
**Stella S.M. Lo**  
*Company Secretary*

Hong Kong, 17 October 2003

### Notes:

1. A shareholder entitled to attend and vote at this meeting may appoint one or more proxies to attend and vote on his behalf. A proxy needs not be a shareholder of the Company.
2. In order to be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the Company’s principal office at 50th Floor, The Center, 99 Queen’s Road Central, Hong Kong not less than 48 hours before the time fixed for holding this meeting or any adjourned meeting thereof.
3. With respect to resolution no. 1, approval is being sought from the shareholders for a general mandate to repurchase shares to be given to the Directors.
4. With respect to resolution no. 2, approval is being sought from the shareholders for a general mandate to issue shares to be given to the Directors.
5. With respect to resolution no. 3, approval is being sought from the shareholders for an extension of the general mandate granted to the Directors to allot shares by adding to it the number of shares repurchased under the authority granted pursuant to resolution no. 1.
6. In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Code on Share Repurchases, an explanatory statement containing further details regarding resolution no. 1 is set out in Appendix I of this circular to shareholders of the Company dated 28 October 2003.