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If you are in any doubt as to any aspect of this circular, or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Guoco Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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國浩集團有限公司
Guoco Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00053)

**PROPOSED AMENDMENTS TO
THE GUOCOLAND LIMITED EXECUTIVES' SHARE OPTION SCHEME
AND
CONTINUING CONNECTED TRANSACTIONS**

**Independent Financial Adviser to the Independent Board Committee
of
Guoco Group Limited**



ACCESS CAPITAL LIMITED

A letter from the Board is set out on pages 4 to 13 of this circular. A letter from the Independent Board Committee and a letter from Access Capital Limited are set out on pages 14 and 15 to 23 of this circular respectively.

A notice convening a 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 Friday, 15 October 2004 at 10:00 a.m. (or as soon thereafter as the annual general meeting of the Company convened for the same date and place, shall have been concluded or adjourned) is set out on pages 54 and 55 of this circular. Whether or not you are able to attend the Special General 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 not less than 48 hours before the time fixed for holding of the Special General Meeting or the adjourned meeting thereof as the case may be. Completion and return of the form of proxy will not preclude you from attending and voting at the Special General Meeting should you so wish.

Hong Kong, 28 September 2004

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DEFINITIONS

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

“Access Capital”	Access Capital Limited, the independent financial adviser to the Independent Board Committee and Independent Shareholders in relation to the Continuing Connected Transactions, and a deemed licensed corporation under the SFO permitted to engage in types 1, 4, 6 and 9 regulated activities under the SFO
“Announcement”	the announcement made by the Company on 27 September 2004 in connection with the Continuing Connected Transactions
“Board”	the board of directors of the Company
“Circular”	this circular issued by the Company to its shareholders dated 28 September 2004 in respect of the proposed amendments to the ESOS and the Continuing Connected Transactions
“Committee”	A committee, comprising directors of GLL, for the time being duly authorised and appointed by the board of directors of GLL to administer the ESOS
“Company” or “GGL”	Guoco Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“ESOS”	the GuocoLand Limited Executives’ Share Option Scheme
“ESOS Share(s)”	GLL Share(s) to be issued and/or transferred under the ESOS
“Grant of Loans”	the granting of Loans by GLL or its subsidiary(ies) to the Trust, the beneficiaries of which may include connected persons of the Company (as defined in the Listing Rules) from time to time pursuant to the Trust Deed
“Grant of Options”	the granting of Options by GLL to any Participant (who may include chief executive and directors of GLL Group, connected persons (as defined in the Listing Rules) of the Company) pursuant to the ESOS
“Group”	the Company and its subsidiaries
“GGL Shareholder(s)”	shareholder(s) of the Company

DEFINITIONS

“GLL”	GuocoLand Limited, a 62.4% owned subsidiary of the Company listed on SGX-ST
“GLL Group”	GLL and its subsidiaries
“GLL Share(s)”	ordinary share(s) of S\$1.00 each in the capital of GLL
“GLL Shareholder(s)”	shareholder(s) of GLL
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board comprising Messrs. Harry Richard Wilkinson, Sat Pal Khattar and Volker Stoeckel, all of them are independent non-executive Directors
“Independent Shareholders”	GGL Shareholders other than those who are connected persons (as defined in the Listing Rules) of the Company and who also fall within the definition of “Participants”
“Latest Practicable Date”	22 September 2004, being the latest practicable date before the printing of the Circular for ascertaining certain information for the purpose of inclusion in the Circular
“Listing Manual”	Listing Manual of SGX-ST, as may be amended and modified from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	loans that will be granted by GLL or any of its subsidiaries to the Trust pursuant to the Trust Deed, the maximum subsisting amount of HK\$926,000,000 or its equivalent amount in other currencies which is less than 2.5% of the value of the Total Assets based on the latest published audited accounts of the Company for the year ended 30 June 2004
“Notice of SGM”	the notice convening the SGM
“MYR”	ringgit Malaysia, the lawful currency of Malaysia
“Continuing Connected Transactions”	connected transactions which will be entered into continually for the purpose of the ESOS, comprising the Grant of Loans and the Grant of Options
“Option”	the right to acquire ESOS Shares granted or to be granted pursuant to the ESOS for the time being subsisting

DEFINITIONS

“the PRC”	the People’s Republic of China
“Participant(s)”	confirmed employee(s) of the GLL Group, and the executive director(s) of GLL, who has/have been selected by the Committee to participate in the ESOS in accordance with the terms
“SGX-ST”	Singapore Exchange Securities Trading Limited
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Special General Meeting” or “SGM”	the Special General Meeting of the Company to be held at Room 1505, 15th Floor, The Center, 99 Queen’s Road Central, Hong Kong on Friday, 15 October 2004 at 10:00 a.m. (or as soon thereafter as the annual general meeting of the Company convened for the same date and place, shall have been concluded or adjourned) to approve: (i) the Continuing Connected Transactions; and (ii) the proposed amendments to the ESOS, a notice of which is set out on pages 54 and 55 of the Circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S\$” and “cents”	the lawful currency of the Republic of Singapore (in dollars and cents respectively)
“Total Assets”	total assets as defined under Rule 14.04(12) of the Listing Rules
“Trust”	the trust constituted by the Trust Deed
“Trustee”	a trust company unrelated to GLL
“Trust Deed”	the trust deed to be entered into between GLL and the Trustee to constitute the Trust
“%”	per cent.

LETTER FROM THE BOARD



國浩集團有限公司
Guoco Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00053)

Directors:

Quek Leng Chan (*Executive Chairman*)

Kwek Leng Hai (*President, CEO*)

Sat Pal Khattar**

Kwek Leng San*

Tan Lim Heng

James Eng, Jr.

Harry Richard Wilkinson**

Volker Stoeckel**

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Principal office:

50th Floor, The Center

99 Queen's Road Central

Hong Kong

* *Non-executive Director*

** *Independent Non-executive Directors*

28 September 2004

To GGL Shareholders

Dear Sir or Madam,

**PROPOSED AMENDMENTS TO
THE GUOCOLAND LIMITED EXECUTIVES' SHARE OPTION SCHEME
AND
CONTINUING CONNECTED TRANSACTIONS**

INTRODUCTION

On 31 December 1998, the ESOS was approved and adopted by GLL Shareholders. GLL now proposes to amend certain provisions of the ESOS in compliance with Chapter 17 of the Listing Rules and to modify the structure of the ESOS to provide for the satisfaction of the exercise of Options by the Participants through the issue of new GLL Shares or the transfer of existing GLL Shares or a combination of both.

Pursuant to the ESOS as amended, the Trust will be set up to acquire existing GLL Shares for the purpose of satisfying outstanding Options from time to time. GLL or its subsidiaries will make Loans to the Trust from time to time to enable the Trust to acquire existing GLL Shares for the purpose of the Trust, and the Loans are expected to be repaid from the exercise price received by the Trust upon the exercise of Options.

LETTER FROM THE BOARD

The Grant of Loans and the Grant of Options constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Please see the section headed “Continuing Connected Transactions” below for more details.

Access Capital has been appointed as the independent financial adviser to the Independent Board Committee and Independent Shareholders in respect of the Continuing Connected Transactions.

The purpose of the Circular is to provide GGL Shareholders with the relevant information pertaining to the proposed amendments to the ESOS and the Continuing Connected Transactions, the letter from the Independent Board Committee and the letter from Access Capital to the Independent Board Committee and Independent Shareholders. The approval of GGL Shareholders for the proposed amendments to the ESOS and the Continuing Connected Transactions will be sought at the SGM.

PROPOSED AMENDMENTS TO THE ESOS

1 Amendments to comply with the Listing Rules

Under Chapter 17 of the Listing Rules, all schemes involving the grant of options by GGL or its subsidiaries to, or for the benefit of, specified participants would have to comply with the provisions of Chapter 17 of the Listing Rules, with appropriate modifications. The Listing Rules further provide that where the shares of the listed issuer or the subsidiary concerned are also listed on another stock exchange, the more onerous requirements shall prevail and be applied in the event of a conflict or inconsistency between the requirements under Chapter 17 of the Listing Rules and the requirements of the other stock exchange. GGL is accordingly proposing certain amendments to the ESOS for such compliance purpose. The following amendments are highlighted:

- (a) the duration of the ESOS is to be reduced from 15 to 10 years (as referred to in Clause 11 under the section headed “Overview of the ESOS” below);
- (b) a limit on the maximum entitlement for each Participant, will be imposed, that is, no Options may be granted to any Participant in any 12-month period that would enable such Participant becoming entitled to subscribe for ESOS Shares exceeding in nominal value of one per cent. (1%) of the share capital of GGL in issue immediately before such subscription, unless approval shall have been obtained from GGL Shareholders (as referred to in Clause 5 under the section headed “Overview of the ESOS” below); and
- (c) with regard to the maximum size of the ESOS, pursuant to the Listing Rules, there is a requirement that the total number of ESOS Shares which may be issued or transferred upon exercise of all options to be granted pursuant to the ESOS and any other schemes of GGL must not exceed ten per cent. (10%) of the share capital of GGL in issue at the time that such proposed amendments to the rules of the ESOS are approved by GGL Shareholders or GGL Shareholders, whichever is the later (as referred to in Clause 4 under the section headed “Overview of the ESOS” below).

LETTER FROM THE BOARD

The proposed amendments to the rules of the ESOS to comply with the Listing Rules are subject to the approvals of both GGL Shareholders and GLL Shareholders and will take effect from the date of such approvals (whichever is the later if they are not obtained in the same day). Details of the said proposed amendments are set out in Appendix I to the Circular.

2 Amendments to allow Options over Existing Issued Shares

GLL also proposes amendments to alter the structure of the ESOS which currently provides for the issue of new GLL Shares by GLL in respect of the exercise of Options granted to the Participants, so as to enable the satisfaction of the exercise of Options through:

- (a) the issue of new GLL Shares; or
- (b) the transfer of existing GLL Shares; or
- (c) a combination of both new GLL Shares and existing GLL Shares.

In considering whether to issue new GLL Shares or to transfer existing GLL Shares for the purpose of the ESOS, factors such as the prevailing market price of GLL Shares, funding consideration and dilutive effects on the share capital of GLL would be taken into consideration. The acquisition of existing GLL Shares would be from the market by the Trust to be established by GLL and the Trustee. The Trust will be administered by the Trustee who will not be a connected person (as defined in the Listing Rules) to GGL or any of its subsidiaries.

The modified ESOS would provide flexibility to GLL in providing alternatives in implementing the ESOS as GLL can now satisfy the exercise of an Option through the transfer of existing GLL Shares. Further, the Grant of Options over existing GLL Shares would avoid the potential dilutive effect on GLL's capital base and future returns.

GLL received, on 28 October 2003, the in-principle approval from the SGX-ST regarding the listing and quotation of the new GLL Shares arising from the exercise of Options granted under the modified ESOS.

In order to accommodate the Trust and the Grant of Options over existing GLL Shares (in addition to unissued GLL Shares) within the framework of the existing ESOS, GLL has proposed certain amendments to the ESOS. These amendments are set out in Appendix II to the Circular for GGL Shareholders' information.

These amendments do not require approval of GLL Shareholders under the rules of the ESOS or the Listing Manual as they do not confer any additional rights or privileges to the Participants and are, in fact, to the benefit of GLL as it provides greater flexibility to GLL in fulfilling the exercise of the Options under the ESOS. Further, the amendments do not alter adversely the rights attaching to the holders of the Options. The current holders of Options granted would continue to be entitled to exercise the Options granted for the same number of GLL Shares at the same price, through the same mechanism, as that prior to the amendments, albeit the exercise of such Options could be satisfied by GLL by way of issue of new GLL Shares and/or transfer of existing GLL Shares, as GLL may

LETTER FROM THE BOARD

determine. Accordingly, GLL will, upon the proposed amendments as set out in Appendix II to the Circular taking effect, be entitled to satisfy the Options already granted, as well as Options to be granted in the future, by way of the issue of new GLL Shares, or the transfer of existing GLL Shares, or a combination of both new GLL Shares and existing GLL Shares. The Continuing Connected Transactions arising from these amendments will comply with Chapter 14A of the Listing Rules.

GLL will establish the Trust as soon as practicable after the Independent Shareholders' approval of the Continuing Connected Transactions and GGL Shareholders' approval of the amendments to the ESOS at the SGM.

OVERVIEW OF THE ESOS

The following is an overview of the ESOS as modified with the amendments proposed herein:

1 Purpose

The purpose of the ESOS is to motivate the Participants and to allow them to participate in the growth and success of the GLL Group.

2 Administration

The ESOS shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the board of directors of GLL, provided that no member of the Committee shall participate in any deliberation or decision in respect of Options to be granted to him or held by him.

3 Eligible Participants

Confirmed employees of GLL Group and the executive directors (who are employees and perform an executive function) of GLL who are at least twenty-one (21) years of age and who are not undischarged bankrupts and have been selected by the Committee to participate in the ESOS at their absolute discretion.

4 Limits of the ESOS

With regard to the maximum size of the ESOS, pursuant to the Listing Rules, there is a requirement that the total number of ESOS Shares which may be issued or transferred upon exercise of all Options to be granted pursuant to the ESOS and any other schemes of GLL must not exceed ten per cent. (10%) of the share capital of GLL in issue at the time that such proposed amendments to the relevant rules of the ESOS are approved by GGL Shareholders or GLL Shareholders, whichever is the later.

LETTER FROM THE BOARD

5 Maximum entitlement for each Participant

A limit on the maximum entitlement for each Participant will be imposed, that is, no Options may be granted to any Participant in any 12-month period up to and including the date of such further grant that would enable such Participant becoming entitled to acquire ESOS Shares exceeding in nominal value of one per cent. (1%) of the share capital of GLL in issue immediately before such exercise, unless approval shall have been obtained from GGL Shareholders.

6 Exercise period of an Option

An Option shall be exercisable at any time during the Option period. The Option period shall be notified by the Committee to each employee during which an Option may be exercised subject to the terms of the grant of such Option, such period to commence on the date immediately after (i) the second anniversary of the date of grant (for Employees who have been employed for less than one year) and (ii) the first anniversary of the date of grant (for all other employees), and to end on a date not later than ten (10) years after the date of grant.

7 Grant of Options

The grant of an Option to a Participant shall be accepted by the Participant within 30 days from such day of grant by signing and returning the acceptance form, accompanied by a payment of S\$1.00 as consideration.

The Committee may, in its discretion, grant such Options that may be exercised only when the set targets and conditions are met, as determined by the Committee. The Committee shall also have absolute discretion to impose conditions applicable to the grant and exercise of Options, as it may deem fit, including prescribing the conditions or criteria for any financial and performance targets.

8 Exercise price of an Option

The exercise price for each ESOS Share on the exercise of an Option shall be the average of the closing prices of GLL Shares as shown in the daily financial news issued by the SGX-ST for each of the last five (5) market days immediately prior to the relevant date of grant for which there was trading in GLL Shares or the nominal value of GLL Shares, whichever is the higher.

9 Ranking of ESOS Shares

The ESOS Shares, when issued or transferred, shall be subject to all the provisions of the memorandum and articles of association of GLL, and shall rank in full for all entitlements including dividends or other distributions declared or recommended in respect of the then existing issued GLL Shares, the record date for which is on or after the date upon which such allotment or transfer takes place, and shall in all other respects rank *pari passu* with other GLL Shares then in issue.

LETTER FROM THE BOARD

10 Rights attaching to Options

If a Participant dies, his Options are transmitted to his personal representative subject to the limitations set out in the rules governing the Options. An Option cannot otherwise be transferred or assigned, and is personal to the Participant.

Options do not carry voting rights and no dividends are payable in relation to Options which have not been exercised.

11 Duration of the ESOS

The ESOS shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing from the date on which the ESOS was adopted by GLL on 31 December 1998. The expiry or termination of the ESOS shall not affect Options (including related option periods) which have been granted and accepted, but remained unexercised at the expiry or termination of the ESOS.

12 An Option will automatically lapse

An Option shall, to the extent unexercised, immediately lapse upon (i) the expiry of the option period; or (ii) on the date on which a Participant ceases to be an employee of the GLL Group; or (iii) on the date on which a Participant commits a breach and if the Committee treats the grant of the Option as being invalid and ineffective.

13 Effect of alterations to capital

In the event of any capitalisation issue, rights issue, sub-division, consolidation or reduction of capital of GLL while any Option remains exercisable, corresponding alterations may be made to the number of Options held by each Participant and/or the price at which they may be exercised as the board of directors of GLL may at the time certify in their opinion to be fair and reasonable and notified to the Participant by GLL.

14 Cancellation of Options

All Options granted but not exercised upon the expiry of the option period shall be cancelled by GLL. Where GLL cancels Options and issues new Options to the same Participant, the issue of such new Options may only be made with available unissued Options (and for this purpose, the cancelled Options shall be excluded in the calculation of the available unissued Options).

15 Termination

GLL by resolution in general meeting, the board of directors of GLL or the Committee may at any time terminate the operation of the ESOS and in such event no further Options will be offered but in all other respects the provisions of the ESOS shall remain in full force and effect. If the Trust is dissolved, any surplus funds remaining after repayment of the Loans and other liabilities would belong to GLL.

LETTER FROM THE BOARD

16 Alteration of the ESOS

The terms of the ESOS may be altered in any respect by resolution of the Committee except that:

- (a) no alteration shall alter adversely the rights attaching to any Options granted prior to such alteration except with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in nominal value of all the ESOS Shares;
- (b) the definitions of “Employee”, “Participant”, “Committee”, “Exercise Price” and “Option Period” and the provisions shall not be altered to the advantage of Participants, except with the prior sanction of GLL Shareholders in general meeting;
- (c) no alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary; and
- (d) so long as GLL remains a subsidiary of GGL and the shares of GGL remain listed on the Stock Exchange, no alteration shall be made without the prior approval of GGL Shareholders if such approval is required in respect of such alteration pursuant to the Listing Rules.

17 Value of Options

The Directors consider that it is not appropriate to state the value of all Options that can be granted under the ESOS, as if they had been granted on the Latest Practicable Date, as a number of variables which are crucial for the calculation of the Option value have not been determined. Such variables include the exercise price, Option period, lock up period (if any), performance targets set (if any) and other relevant variables. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date would be based on a great number of speculative assumptions and would henceforth not be meaningful and be misleading to the GGL Shareholders.

CONTINUING CONNECTED TRANSACTIONS

Participants of the ESOS include executive directors of GLL Group who are deemed to be connected persons of GGL under the Listing Rules. The Grant of Options, the exercise of which may be satisfied by transfer of existing GLL Shares and the Grant of Loans constitute continuing connected transactions of GGL under Chapter 14A of the Listing Rules. No directors and substantial shareholders at the Company’s level are eligible to be a Participant of the ESOS.

In accordance with the Trustee Deed, GLL will make Loans to the Trust from time to time upon such terms and conditions as GLL and the Trustee may agree. Loans that will be provided by GLL to the Trust will be subject to the maximum subsisting amount of HK\$926,000,000 or its equivalent amount in other currencies which is less than 2.5% of the value of the Total Assets based on the latest published audited accounts of the Company for the year ended 30 June 2004.

LETTER FROM THE BOARD

The Loans will enable the Trust to acquire existing GLL Shares for the purpose of the Trust. The Loans are expected to be repaid from the exercise price received by the Trust upon the exercise of Options. Before the relevant GLL Shares are transferred to the Participant upon an exercise of the relevant Options, any income derived from the holding of such GLL Shares will be used by the Trust to pay for its establishment and administrative expenses, interest (if any) on the bonus and as financing for further acquisitions of existing GLL Shares.

The Grant of Options will continue until the expiry of the ESOS while the Grant of Loans will continue until all outstanding Options being exercised, cancelled or lapse. The Grant of Options and the Grant of Loans on a continuous basis therefore constitute continuing connected transactions of the Company under the Listing Rules. Accordingly, the Continuing Connected Transactions will, in accordance with the Listing Rules, be required to seek Independent Shareholders' approval and be voted on by way of poll at the Special General Meeting.

The Continuing Connected Transactions will be subject to the reporting requirements under Rule 14A.45, Rule 14A.46 and Rules 17.07 to 17.09 of the Listing Rules. The Company will also comply with the requirements of annual review by the independent non-executive Directors and auditors of the Company under Rules 14A.37 to 14A.38.

RATIONALE

The Board believes the structure of the ESOS will allow more flexibility to GLL in terms of remunerating the Participants. GLL will be in a position to structure incentives for the Participants in order to align their interests with the performance of GLL, with a view to improve the operations of GLL.

Further, the modified ESOS would provide flexibility to GLL in providing alternatives in implementing the ESOS as GLL can satisfy the exercise of an Option through the transfer of existing GLL Shares or the issue of new GLL Shares. The grant of Options over existing GLL Shares would avoid the potential dilutive effect on GLL's capital base and future returns, as well as the timing for any such dilution. The acquisition of existing GLL Shares by the Trustee for the purpose of the ESOS from time to time would provide additional flexibility to GLL and allow GLL to achieve greater efficiency in packaging the remuneration for the Participants.

The Continuing Connected Transactions will be conducted on the terms as set out in the ESOS and the Trust Deed, which will be fair and reasonable to GGL and GGL Shareholders. In view of the benefits of the ESOS to GLL and GLL Shareholders including the Company which is the majority shareholder holding 62.4% of GLL's issued share capital, the Directors consider it to be beneficial to GGL and GGL Shareholders for GLL to undertake the Continuing Connected Transactions.

INFORMATION ON THE GROUP AND GLL GROUP

The Group is principally engaged in investment and treasury management, property development and investment, stock and commodity broking and insurance.

LETTER FROM THE BOARD

GLL is an investment holding company and the principal activities of its subsidiaries encompass property development, property investment, property management and property-related activities, with operations in the key geographical markets of Singapore, the PRC and Malaysia.

SGM

Set out at the end of the Circular is a notice of the SGM to be held at Room 1505, 15th Floor, The Center, 99 Queen's Road Central, Hong Kong on Friday, 15 October 2004 at 10:00 a.m. or immediately following the closure of the annual general meeting of the Company convened on the even day, at which, amongst other things, ordinary resolutions will be proposed to approve (i) the Continuing Connected Transactions; and (ii) the approval to the amendments to the ESOS by the Company.

A form of proxy is enclosed. Whether or not you are able to attend the SGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's principal office at 50th Floor, The Center, 99 Queen's Road Central, Hong Kong as soon as possible, but in any event not later than 48 hours before the time appointed for the holding of the SGM. Completion of the form of proxy will not preclude you from attending and voting at the SGM should you so wish.

Connected persons (as defined in the Listing Rules) of the Company who fall within the definition of "Participants" are required to abstain from voting in respect of the ordinary resolution to approve the Continuing Connected Transactions to be proposed at the SGM.

RECOMMENDATION

The proposed amendments to the ESOS to comply with Chapter 17 of the Listing Rules and to allow options over Existing GLL Shares are in the interests of GGL and GGL Shareholders as a whole and accordingly, the Board recommends GGL Shareholders to vote in favour of the relevant ordinary resolutions in respect of the proposed amendments to the ESOS at the SGM.

The Independent Board Committee, having considered, amongst other things, the principal factors and reasons considered by, and the recommendations of, Access Capital as stated in their letter of advice, is of the view that the Continuing Connected Transactions are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of GGL and GGL Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Continuing Connected Transactions.

The controlling shareholder of the Company, GuoLine Overseas Limited which currently holds 65.52% of the Company's issued share capital, is entitled to vote in the SGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

A draft copy of the ESOS will be available for inspection at the Company's principal office at 50th Floor, The Center, 99 Queen's Road Central, Hong Kong during normal business hours up to and including the date of the Special General Meeting. An announcement as to whether the ESOS has been approved by GGL Shareholders in the Special General Meeting will be made on the business day following the meeting.

Your attention is drawn to the information set out in the following sections of the Circular:

- (i) Letter from the Independent Board Committee (page 14);
- (ii) Letter from Access Capital (pages 15 to 23);
- (iii) General information (pages 41 to 52); and
- (iv) Notice of SGM (pages 54 and 55).

Yours faithfully,
By Order of the Board
Quek Leng Chan
Executive Chairman

LETTER FROM INDEPENDENT BOARD COMMITTEE

The following is the full text of the letter from Independent Board Committee setting out its advice to the Independent Shareholders.



國浩集團有限公司
Guoco Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00053)

28 September 2004

Dear Independent Shareholders,

**PROPOSED AMENDMENTS TO
THE GUOCOLAND LIMITED EXECUTIVES' SHARE OPTION SCHEME
AND
CONTINUING CONNECTED TRANSACTIONS**

We refer to the circular dated 28 September 2004 of Guoco Group Limited (the "Circular") of which this letter forms part. Terms defined in the Circular bear the same meanings herein, unless the context otherwise requires.

We have been appointed as the Independent Board Committee to advise you in connection with the Continuing Connection Transactions.

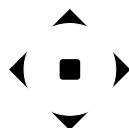
We wish to draw your attention to the letter from the Board as set out on pages 4 to 13 of the Circular, which provides details of the Continuing Connected Transactions. Your attention is also drawn to the letter from Access Capital to the Independent Board Committee and the Independent Shareholders which contains their advice in respect of the Continuing Connected Transactions as set out on pages 15 to 23 of the Circular.

Having considered, amongst other things, the principal factors and reasons considered by, and the recommendations of, Access Capital as stated in their aforementioned letter of advice, we are of the view that the Continuing Connected Transactions are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of GGL and GGL Shareholders as a whole. Accordingly, we recommend you to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Continuing Connected Transactions.

Yours faithfully,
Independent Board Committee
Harry Richard Wilkinson
Sat Pal Khattar
Volker Stoeckel
Independent Non-Executive Directors

LETTER FROM ACCESS CAPITAL

The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from Access Capital prepared for incorporation in this circular.



ACCESS
CAPITAL

Suite 606
6th Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

28 September 2004

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

RELATING TO

PROPOSED GRANTING OF LOANS BY GUOCOLAND LIMITED TO THE TRUST TO FACILITATE THE EXERCISE OF OPTIONS GRANTED UNDER THE GUOCOLAND LIMITED EXECUTIVES' SHARE OPTION SCHEME AND

PROPOSED GRANTING OF OPTIONS BY GUOCOLAND LIMITED UNDER THE GUOCOLAND LIMITED EXECUTIVES' SHARE OPTION SCHEME TO CONNECTED PERSONS (AS DEFINED IN THE LISTING RULES)

1. INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as regards the Continuing Connected Transactions, details of which are contained in the "Letter from the Board" set out in a circular to GGL Shareholders dated 28 September 2004 (the "Circular"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

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As mentioned in the “Letter from the Board”, the Continuing Connected Transactions comprising the Grant of Loans and the Grant of Options constitute connected transactions under Chapter 14A of the Listing Rules. Accordingly, the Continuing Connected Transactions will, in accordance with the Listing Rules, be required to seek Independent Shareholders’ approval and be voted on by way of poll at the Special General Meeting.

The Independent Board Committee, comprising Messrs. Harry Richard Wilkinson, Sat Pal Khattar and Volker Stoeckel (all of whom are independent non-executive Directors), has been established to consider the terms of the Continuing Connected Transactions and to advise the Independent Shareholders. We have been appointed by the Independent Board Committee to advise it and the Independent Shareholders as to whether the terms and conditions of the Continuing Connected Transactions are fair and reasonable so far as the Independent Shareholders are concerned and to give our opinion in relation to the Continuing Connected Transactions for its consideration in issuing its opinion to the Independent Shareholders so as to enable them to consider whether to vote in favour or against the ordinary resolution to be put forth at the Special General Meeting.

Connected persons (as defined in the Listing Rules) of the Company who fall within the definition of “Participants” under the ESOS are required to abstain from voting in respect of the ordinary resolution to approve the Continuing Connected Transactions to be proposed at the Special General Meeting.

As described in the “Letter from the Board”, no directors and substantial shareholders at the Company’s level are eligible to be a Participant of the ESOS. Hence, the controlling shareholder of the Company, GuoLine Overseas Limited which currently holds 65.52% of the Company’s issued share capital, is entitled to vote at the Special General Meeting.

2. BASES AND ASSUMPTIONS OF THE ADVICE

In formulating our advice, we have relied principally on the statements, information, opinion and representations contained in the Circular and the information and representations provided to us by the Company. We have assumed that all such statements, information, assumptions, estimates, opinions and representations contained or referred to in the Circular or otherwise provided by the Company and the Board and for which they are solely responsible were true and accurate and valid at the time they were made and given and continue to be true and valid as at the date of the Circular. We have also assumed that all statements of belief, opinion and intention of the Board as set out in the “Letter from the Board” of the Circular and in this letter have been reasonably made after due and careful enquiry. We have also sought and obtained confirmation from the Company that no material facts have been omitted from the information provided and referred to in the Circular.

We consider that we have reviewed all currently available information and documents which are available under the present circumstances to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis of our opinions. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company, and their respective advisers or to believe that material information has been

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withheld or omitted from the information provided to us or referred to in the aforesaid documents. We have not, however, carried out an independent verification of the information provided, nor have we conducted an independent investigation into the business and affairs of the Company, or any of its subsidiaries.

3. PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our recommendation, we have taken into consideration the following principal factors and reasons:

3.1 Background to and reasons for the ESOS and the establishment of the Trust

(a) *Business of the Group and GLL Group*

The Group is principally engaged in investment and treasury management, property development and investment, stock and commodity broking; and insurance.

GLL is an investment holding company and the principal activities of its subsidiaries encompass property development, property investment, property management and property-related activities, with operations in the key geographical markets of Singapore, the PRC and Malaysia. GLL is an indirect subsidiary of the Company and the shares of which are listed on the SGX-ST.

(b) *Reasons for the amendments to the ESOS and the establishment of the Trust*

As mentioned in the “Letter from the Board”, the Board believes the structure of the ESOS (if modified as described in the “Letter from the Board”) will allow more flexibility to GLL in terms of remunerating the Participants. In addition, the Board believes GLL will be in a position to structure incentives for the Participants in order to align their interests with the performance of GLL, with a view to improve the operations of GLL.

We note that Options are not transferable or assignable and are personal to the grantee, and are intended to be issued to those who have contributed to the business of GLL Group. We also note that the ESOS (if modified as described in the “Letter from the Board”) will enable the satisfaction of the exercise of Options granted to the Participants through:

- (i) the issue of new GLL Shares; or
- (ii) the transfer of existing GLL Shares; or
- (iii) a combination of both new GLL Shares and existing GLL Shares.

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Also mentioned in the “Letter from the Board”, the structure of the ESOS will provide GLL a means to achieve greater efficiency and flexibility in the remuneration packages of the Participants. In considering whether to issue new GLL Shares or to transfer existing GLL Shares for the purpose of the ESOS, factors such as the prevailing market price of GLL Shares, funding considerations and dilutive effects on the share capital of GLL will be taken into consideration by the Committee.

Given the fact that GLL is operating in a competitive environment in the property markets in Singapore, Malaysia and the PRC, it will be in the interests of GLL and GLL Shareholders (including the Company) as a whole to retain and attract quality personnel and other persons to work for GLL Group to improve the performance of GLL Group and hence enhancing the value of GLL Shares. As GLL is a 62.4% subsidiary of the Company, any enhancement to the performance of GLL Group will have a positive effect to the operating results of GGL Group. Hence, we are of the view that having the proposed amendments to the ESOS are in the interests of the Company and GGL Shareholders as a whole.

We note that the acquisition of existing GLL Shares will be from the market by the Trust to be established between GLL and an independent third party not connected (as defined under the Listing Rules) to GGL or any of its subsidiaries, who shall act as the Trustee. As mentioned in the “Letter from the Board”, GLL will establish the Trust as soon as practicable after the Independent Shareholders granting an approval to the Continuing Connected Transactions at the Special General Meeting and GGL Shareholders’ approval of the amendments to the ESOS at the Special General Meeting. Accordingly, the Trust is to be established by GLL and the Trustee for the benefit of the Participants with the objective of acquiring and transferring GLL Shares in order to satisfy the exercise of any outstanding Options granted under the ESOS according to the Trust Deed.

In view of the above objectives of the Trust, in particular, the establishment of the Trust is expected to provide additional flexibility for GLL to structure remuneration packages of the Participants, we are of the view that the ESOS and the Trust will serve to foster the grantee’s dedication to, and encourage active participation in, the business of GLL with the aim of establishing a long-term and good working relationship between GLL and the Participants. Again, as GLL is a 62.4% subsidiary of the Company, any enhancement to the performance of GLL Group will have a positive effect to the operating results of GGL Group. Hence, we believe the amendments to the ESOS and the establishment of the Trust are justifiable and in the interests of the Company and GGL Shareholders as a whole.

Taking into account (i) the duration of the ESOS (if modified as described in the “Letter from the Board”) will last for 10 years commencing from 31 December 1998, the date which the ESOS was adopted by GLL, to 30 December 2008, during which Options can be granted to Participants (including connected persons as defined in the Listing Rules); and (ii) the Grant of Options is normal business practice with the principal objective to enhance grantee’s dedication to, and encourage active participation in, the business of GLL with the aim of establishing a long-term and good working

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relationship between GLL and the Participants, we are of the view that the duration of the Continuing Connected Transactions with regard to the Grant of Options to connected persons as defined in the Listing Rules during the life span of the ESOS is justifiable to be longer than 3 years (in this case, over 4 years) and is in the interests of the Company and GGL Shareholders as a whole.

Also taking into account (i) the modified duration of the ESOS as mentioned above; (ii) the fact that Options granted and to be granted under the modified ESOS which shall be exercisable at any time during the Option period (which is subject to the terms of the Grant of Options to commence on the date immediately after (1) the second anniversary of the date of grant (for employees who have been employed for less than one year) or (2) the first anniversary of the date of grant (for all other employees), to 10 years after the date of grant (in this case, end on 30 December 2018)); (iii) the Participants may exercise Options for the issue of new GLL Shares or transfer of existing GLL Shares or a combination of both; and (iv) the Grant of Loans will continue until all outstanding Options being exercised, cancelled or lapsed, we are of the view that the duration of the Continuing Connected Transactions with regard to the Grant of Loans is justifiable to be longer than 3 years (in this case, can possibly be over 14 years) and is in the interests of the Company and GGL Shareholders as a whole.

3.2 Overview of the Trust and terms of the ESOS

An overview of the Trust and the principal terms of the ESOS are set out in the Circular.

(a) *An overview of the Trust*

As mentioned in the “Letter from the Board”, GLL will establish the Trust as soon as practicable after the Independent Shareholders granting an approval to the Continuing Connected Transactions at the Special General Meeting and GGL Shareholders’ approval of the amendments to the ESOS at the Special General Meeting. The Trust will be set up to acquire existing GLL Shares from the market for the purpose of satisfying outstanding Options granted under the ESOS from time to time. Also, the Trust will be administered by the Trustee who will not be a connected person (as defined under the Listing Rules) to GGL or any of its subsidiaries.

According to the Trust Deed, the Trustee will during the term of the Trust, at the request of the Committee and upon receipt of sufficient funds from the GLL Group or any third party, purchase such number of GLL Shares from the market pursuant to the aforesaid purpose of the establishment of the Trust.

Taking into account the objectives of the Trust and the purpose of the Trustee (an independent third party) will be appointed to administer the operation of the Trust for the benefit of the Participants with the objective to acquire and dispose of GLL Shares in order to satisfy the exercise of the any outstanding Options granted under the ESOS, we believe the Trust is an essential tool to enhance the functions of the ESOS and achieve greater flexibility for GLL to structure remuneration packages of the Participants.

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(b) *Participants and transferability*

Under the ESOS, confirmed employee of GLL Group and executive directors of GLL shall be eligible to be granted Options, by GLL at the direction of the Committee, to purchase GLL Shares.

The Options are not transferable or assignable and are personal to the grantee. Accordingly, Options are intended to be granted to those who have contributed to the business of GLL Group. In addition, the Committee may (at its discretion) seek to impose conditions on the exercise of Options, such as the fulfillment of prescribed performance targets and contribution criteria within the relevant period as described in the rules of the ESOS.

We have considered the abovementioned terms of the ESOS, and noted that it is similar to that adopted by listed companies in Hong Kong in their respective share option schemes. We also note that the ESOS is intended to provide another tool for GLL to promote employee loyalty and dedication to the future of GLL Group. Hence, we are of the view that (i) the grant of Options to those who have contributed to GLL Group and (ii) the Options is restricted to be entitled by the grantees are in the interests of GLL and GLL Shareholders (including the Company) and, in turn, it is in the interests of the Company and GGL Shareholders as a whole.

(c) *Maximum entitlement for each Participant*

According to the terms of the ESOS, the maximum number of GLL Shares issued or transferred upon the exercise of Options granted within any 12-month period under the ESOS to each Participant shall not exceed 1% in nominal value of the GLL Shares in issue.

According to the requirement of the Listing Rules, the Company must obtain independent shareholders' prior approval in the event of granting any Options exceeding the above limits and the relevant Participant and his associates must abstain from voting at the general meeting of GGL Shareholders.

Since the above maximum limits comply with the relevant requirements as prescribed in Chapter 17 of the Listing Rules and are similar to those commonly adopted by listed companies in Hong Kong in their respective share option schemes, we are of the view that the maximum entitlement for each Participant is acceptable to the Company and GGL Shareholders.

(d) *Limits of the ESOS*

In addition to the maximum entitlement for each Participants as mentioned above, according to the terms of the ESOS, Options can be granted so that the total number of GLL Shares which may be issued or transferred upon exercise of all Options to be granted under the ESOS and any other schemes of GLL must not exceed 10% in nominal value of the GLL Shares in issue at the time that the proposed amendments to the rules of the ESOS are approved by GGL Shareholders at the Special General Meeting or GLL Shareholders, whichever is later.

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We have compared this rule of the ESOS with the relevant requirements as prescribed in Chapter 17 of the Listing Rules and those commonly adopted by listed companies in Hong Kong in their respective share option schemes, we are of the view that the limits of the ESOS are acceptable to the Company and GGL Shareholders.

3.3 Source of finance of the Trust

According to the Trust Deed, in order to enable the Trustee to purchase GLL Shares for the Trust, the Trustee will be entitled from time to time to accept financial assistance (which includes (without limitation) loans, transfers of money and third party guarantees) from GLL Group or any third party upon such terms and conditions as GLL and the Trustee may agree. The Trustee will be entitled to utilise (i) the proceeds of the sale of GLL Shares held by the Trust; (ii) the exercise price received by GLL for the transfer of GLL Shares by the Trustee in respect of Options exercised by the Participants pursuant to the ESOS, which is paid by GLL to the Trustee; (iii) dividends or distributions in respect of GLL Shares held by the Trust, or the proceeds from the sale of dividends or distributions in respect of GLL Shares held by the Trust (in the event that the dividends or distributions are in a form other than cash); or (iv) any other funds then held by the Trustee, to repay or discharge Loans.

In addition, before the relevant GLL Shares are transferred to the Participants upon an exercise of the relevant Options, any income derived from the holding of GLL Shares will be used by the Trust, such as, to pay for its establishment and administrative expenses.

Upon termination of the Trust (be it (i) upon expiry or termination of the ESOS or (ii) if there are no Participants who have been granted options for the time being under the ESOS and GLL issues a notice to the Trustee terminating the Trust), the Trustee will sell the remaining GLL Shares held by the Trust to repay all debts of the Trust and to settle any expenses and liabilities incurred by the Trustee. In the event of any remaining funds or investments, the Trustee may, at the instruction of GLL (but not limited to), transferring back to GLL. In the event of any fund deficiency, GLL will immediately pay to the Trustee a sum equivalent to the insufficiency, and GLL will agree to waive and will procure its relevant subsidiaries to waive all debts owing by the Trustee to them to the extent of the insufficiency.

We are of the view that the abovementioned source of finance of the Trust, the application of such financing and the repayment arrangements for the Loans offer maximum flexibility for the Trustee to operate the Trust for the benefit of the Participants of the ESOS, which in turn, will give incentive for the Participants to perform and contribute to GLL's future profitability. As GLL is a 62.4% subsidiary of the Company, any enhancement to the performance of GLL Group will have a positive effect to the operating results of GGL Group. Hence, we believe the abovementioned financing arrangements of the Trust are in the interests of the Company and GGL Shareholders as a whole.

3.4 Limit of the Loans

The Grant of the Loans by GLL to the Trust constitutes a connected transaction under Chapter 14A of the Listing Rules and will normally be conditional on approval by the Independent Shareholders in general meeting and that any connected persons (as defined in the Listing Rules) must abstain from voting at the meeting.

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In order to comply with the Listing Rules and to ensure sufficient flexibility is retained by the Trust in the course of operating the ESOS, the Board considers that a cap amount of the Loans that will be provided by GLL to the Trust will be subject to the maximum subsisting amount of HK\$926,000,000 or its equivalent amount in other currencies which is less than 2.5% of the Total Assets of the Company based on the latest published audited accounts of the Company for the year ended 30 June 2004.

The Board considers that the abovementioned cap limit of the Loans to be provided by GLL to be appropriate as the 2.5% is the upper limit acceptable by the Stock Exchange for continuing connected transactions exempt from independent shareholders' approval requirements under the Listing Rules. In addition, since the Loans are balance sheet items, it is reasonable to compare with a figure derived from the balance sheet (in this case the Total Assets of the Company). Based on the above reasons, we are of the view that the proposed limit of the Loans to be appropriate, and is fair and reasonable to the Company and GGL Shareholders.

3.5 Possible effects on the Company as a result of financing of the Trust through the Grant of Loans provided by GLL and exercise of Options under the ESOS

(a) Financial implications

As mentioned earlier in this letter, the Trust intends to purchase existing GLL Shares to facilitate the implementation of the ESOS. The Trust intends to repay the Loans from the proceeds on the exercise of Options by the Participants and the income receivable (including dividends) on GLL Shares purchased by the Trust. Taking into account the strict control of the application of financing by the Trustee under the Trust Deed as mentioned in paragraph 3.3. above, apart from any surplus or deficiency which may be accrued to or be borne by GLL upon the dissolution of the Trust, we are of the view that the implementation of the Trust may not give rise to any material effect on the financial position of GLL.

With respect to the potential gain or loss arising from the discrepancy between the purchase cost and the exercise price, we have been advised that GLL will take reasonable measures (namely constant monitoring by the Committee, annual review by the auditors of GGL and the independent non-executive directors of GGL) to minimise any potential financial impact. Given GLL is a reputable listed company in Singapore and the directors of GLL (all of whom understand the importance of corporate governance and protection of investors/shareholders' interests) have the fiduciary duty and ability/skills/experience to ensure that reasonable measures will be put in place to minimise any potential financial impact to GLL as well as to protect the interests of GLL and GLL Shareholders (including the Company). On this basis, we are of the view that the interests of the Company and GGL Shareholders are sufficiently protected.

(b) Dilution in shareholding

In the event that GLL grants Options to Participants only for the subscription of new GLL Shares, the interest of the Company may be diluted from approximately 62.4% of the existing issued share capital of GLL to approximately 56.7% of the enlarged issued share capital of GLL. The aforesaid percentage is the maximum dilution effect in the event that GLL grants Options to Participants only for the subscription of new GLL Shares.

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On the other hand, by taking into account the potential benefits (such as the future improved operating results of GLL Group), we are of the view that the potential benefits outweigh the potential dilutive effect. Furthermore, the Committee will have the absolute discretion in considering whether to issue new GLL Shares or to transfer existing GLL Shares for the purpose of the ESOS, and thereby mitigate any potential dilutive effect on GLL's issued share capital from time to time. Accordingly, we believe the flexibility of the ESOS to offer a combination of new GLL Shares and/or existing GLL Shares will enable the Committee to mitigate the dilutive effect and consider the potential dilution in shareholding in GLL (as a result of issuing new GLL Shares to satisfy the exercise of the Options granted under the ESOS) as manageable and acceptable.

4. RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that the Continuing Connected Transactions (i.e. the Grant of Options to connected persons (as defined in the Listing Rules) and the Grant of Loans) are fair and reasonable so far as GGL Shareholders are concerned and in the interests of the Company as well as GGL Shareholders as a whole; and accordingly, advise the Independent Board Committee to recommend to the Independent Shareholders to vote in favour of the ordinary resolution to approve the Continuing Connected Transactions contemplated under the ESOS to be proposed at the Special General Meeting.

Yours faithfully,
For and on behalf of
Access Capital Limited
Jeanny Leung
Managing Director

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The proposed amendments to the ESOS to comply with the Listing Rules are set out below:

Rule 1

(i) Definition of “Adoption Date”

By deleting the definition of “Adoption Date”.

(ii) Definition of “Committee”

By deleting the existing definition of “Committee” in Rule 1 and substituting therefor the following:

““Committee” : A committee, comprising Directors of the Company, for the time being duly authorised and appointed by the Board of Directors to administer the Scheme”.

(iii) Definition of “Employees”

By deleting the existing definition of “Employees” in Rule 1 and substituting therefor the following:

““Employees” : Confirmed employees of the Group, and the Executive Directors of the Company, who satisfy the eligibility criteria set out in Rule 2 and have been selected by the Committee to participate in the Scheme in accordance with Rule 2”.

(iv) Definition of “Executive Directors”

By deleting the existing definition of “Executive Directors” in Rule 1 and substituting therefor the following:

““Executive Director” : A Director who is an employee and who performs an executive function”.

(v) Definition of “GGL”

By inserting the following new definition to Rule 1:

““GGL” : Guoco Group Limited”.

(vi) Definition of “HKSE”

By inserting the following new definition to Rule 1:

““HKSE” : The Stock Exchange of Hong Kong Limited”.

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(vii) Definition of “HKSE Listing Rules”

By inserting the following new definition to Rule 1:

““HKSE Listing Rules” : Rules Governing the Listing of Securities on HKSE, as may be amended and modified from time to time”.

(viii) Definition of “Listing Manual”

By inserting in the following definition to Rule 1:

““Listing Manual” : The Listing Manual of the SGX-ST, as may be amended and modified from time to time”.

(ix) Definition of “Option Period”

By deleting the existing definition of “Option Period” in Rule 1 and substituting therefor the following:

““Option Period” : A period to be notified by the Committee to each Employee during which an Option may be exercised pursuant to the terms of the grant of such Option, such period to commence on the date immediately after (i) the second anniversary of the Date of Grant (for Employees who have been employed for less than one year) and (ii) the first anniversary of the Date of Grant (for all other Employees), and to end on a date not later than ten (10) years after the Date of Grant”.

Rule 1(A)

By inserting in the following as Rule 1(A):

“1A. Purpose of the Scheme

The purpose of the Scheme is to motivate the Participants and to allow them to participate in the growth and success of the Group.”.

Rule 2

By deleting the existing Rule 2 and substituting therefor the following:

“2. Grant of Options

(a) The following persons shall be eligible to participate in the Scheme, and may at the absolute discretion of the Committee, be selected to participate in the Scheme:

(i) Employees who are at least of twenty-one (21) years of age; and

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- (ii) Employees who are not undischarged bankrupts.
- (b) Eligible persons who are eligible and selected to participate in the Scheme shall be eligible to participate in any other employee share scheme implemented by the Group or to be implemented by the Group.
- (c) Subject to Rule 2(b) above, Employees shall always participate in the share scheme of the company within the Group in which they are principally employed unless the Company has not implemented such a scheme.
- (d)
 - (i) The Committee may, subject to the Rules of the Scheme, grant Options to such eligible persons as it may select in its absolute discretion at any time during the period when the Scheme is in force, provided that the Committee shall not grant any Options (aa) during the Company's close periods commencing two (2) weeks before the announcement of the Group's quarterly results, half-year results and annual (full-year) results, as the case may be, and ending on the date of announcement of the relevant results or during such other revised close periods of the Company as may be approved by the Directors from time to time; and (bb) at any time after any matter of an exceptional nature involving price sensitive information has arisen or has been the subject of a decision until after such price sensitive information has been publicly announced. The letter of offer to grant the Options shall be in the form or substantially in the form set out in Appendix I (subject to such modification as the Committee may from time to time determine).
 - (ii) The offer of an Option shall be personal to the Participant to whom it is granted and any Option granted and accepted by a Participant under the Scheme shall not be transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part (the breach of which shall entitle the Committee to treat the grant of such Option as being invalid and ineffective), but may be exercised by the Participant's duly appointed personal representative as provided in Rule 4(d) in the event of the death of the Participant.
- (e) On and subject to these Rules, the Committee may at any time during the duration of the Scheme at its absolute discretion grant Options to such eligible Employees as it may determine, and may in its absolute discretion determine the number of Scheme Shares applicable to the Options, and the conditions for granting of the relevant Options (including prescribing the conditions or criteria for any financial and performance targets), taking into account criteria such as the financial and performance targets set, past performance, rank and length of service of the Participant, and the performance of the Company. On and subject to the terms of the Scheme, the Committee shall be entitled to grant an Option to any Participant at any time as the Committee may in its absolute discretion select for such number of Scheme Shares as the Committee may determine at the Exercise Price; provided always that subject to such adjustments as may be made pursuant to the Scheme, no Options may be granted to any Participant in any 12-month period, on terms that would enable such Participant, (whether his Options were exercised in full or otherwise), becoming entitled to subscribe, for Scheme Shares exceeding in

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nominal value one per cent. (1%) of the share capital of the Company in issue immediately before such subscription, unless approval in respect of any such grant representing in aggregate over one per cent. (1%) in the 12-month period up to and including the date of such further grant shall have been obtained from the shareholders of GGL in a general meeting, with such Participant and his associates abstaining from voting.

For the purposes of Rule 2(e) “associate”, in relation to the relevant Participant, shall have the following meaning:

- (aa) his spouse;
- (bb) any child or step-child, natural or adopted, under the age of 18 years of such individual or of his spouse (together with his spouse, the “family interests”);
- (cc) the trustees, acting in their capacity as such trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object and any company (“trustee-controlled company”) in the equity capital of which the trustees, acting in their capacity as such trustees, are directly or indirectly interested so as to exercise or control the exercise of thirty per cent. (30%) (or such other amount as may be the level for triggering a mandatory general offer from time to time be specified in the Code on Takeovers and Mergers of Hong Kong) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary (together, the “trustee interests”);
- (dd) a holding company of a trustee-controlled company or a subsidiary of any such holding company; and
- (ee) any company in the equity capital of which he, his family interests, any of the trustees referred to in (cc) above, acting in their capacity as such trustees, and/or any trustee interests taken together are directly or indirectly interested so as to exercise or control the exercise of thirty per cent. (30%) (or such other amount as may be the level for triggering a mandatory general offer from time to time be specified in the Code on Takeovers and Mergers of Hong Kong) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary or holding company or a fellow subsidiary of any such holding company.
- (f) The grant of an Option to a Participant under this Rule 2, if accepted by the Participant, shall be accepted by the Participant within thirty (30) days and in any event not later than 5.00 p.m. on the thirtieth day, from such Date of Grant by completing, signing and returning the Acceptance Form in the form or substantially in the form set out in

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Appendix II (subject to such modification as the Committee may from time to time determine), accompanied by payment of \$1.00 as consideration. The Participant may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Participant shall accept the offer in multiples of 1,000 Scheme Shares.

- (g) If the grant of an Option is not accepted in the manner as provided in Rule 2(f), such offer shall upon the expiry of the thirty (30) day period automatically lapse and shall be null and void and of no effect.
- (h) Every Option shall be granted subject to the condition that no Scheme Shares shall be issued or transferred pursuant to the exercise of an Option if such issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country. In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.”.

Rule 4(a)

By deleting the existing Rule 4(a) and substituting therefor the following:

- “(a) An Option shall be exercisable, in whole or in part, at any time during the Option Period applicable to that Option, in accordance with the provisions of this Rule 4 and Rules 5 and 6; provided always that:
- (i) the exercise of an Option (including without limitation, the time and manner of such exercise) shall be subject to and in accordance with guidelines as may from time to time be prescribed by the Committee. Notwithstanding any provisions herein, the Committee shall be entitled to treat any exercise of an Option as being invalid or ineffective (whereupon the Option shall lapse) if the Committee has determined or has reason to believe that such exercise would or may be contrary to any law or enactment, or any rules, regulations or guidelines of any regulatory or other relevant authority or body (including without limitation, the SGX-ST) for the time being in force;
 - (ii) where an Option is granted to a Participant, subject to the satisfaction of certain conditions (which may include certain financial and performance targets being met), such Option (or the relevant part thereof) may not be exercised until the Committee issues a confirmation that such conditions have been satisfied. The Committee shall have the sole and absolute discretion from time to time to determine whether such conditions applicable to an Option have been satisfied;
 - (iii) where an Option is granted to a Participant who has served less than one (1) year’s service, such Option may not be exercised within two (2) years from the Date of Grant; and

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- (iv) outstanding Options from time to time, which have been exercised, may be satisfied, at the discretion of the Committee, by the issue of new Shares and/or the transfer of existing Shares by the Trustee to the Participants.”.

Rule 4(b)(iv)

By deleting the words “Rule 2(e)(ii)” in this Rule and inserting the words “Rule 2(d)(ii)” in place thereof.

Rule 4(c)

By deleting the word “a” in the first line and inserting the word “the” in place thereof.

Rule 5(a)

By deleting the existing Rule 5(a) and substituting therefor the following:

“(a) In the event of a take-over offer being made for the Shares of the Company, Participants (including Participants holding Options which are not then exercisable pursuant to the provisions of Rule 4(a)) holding Options as yet unexercised shall, at the discretion of the Committee and subject to Rule 5(e), be entitled to exercise such Options in full or in part in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (i) the expiry of six (6) calendar months thereafter (unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto)); or
- (ii) the date of the expiry of the Option Period relating thereto,

whereupon any Option then remaining unexercised shall lapse and be null and void.

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable until the specified date or the expiry of the Option Period relating thereto, whichever is earlier.

Any Option not so exercised by the said specified date shall lapse provided that the rights of acquisition or obligations to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Option shall, subject to Rule 4(b), remain exercisable until the expiry of the Option Period relating thereto.”.

APPENDIX I AMENDMENTS TO THE ESOS TO COMPLY WITH THE LISTING RULES

Rule 6(b)

By deleting the existing Rule 6(b) and substituting therefor the following:

“(b) Upon receipt of the notice, remittances or any other documentation referred to in Rule 6(a) and subject to such consents or other required action of any competent authority under regulations or enactments for the time being in force as may be necessary and subject to compliance with the Rules of the Scheme, the Scheme Shares shall be allotted and issued or transferred to a Participant not more than ten (10) Market Days after the exercise of an Option and within five (5) Market Days from the date of such allotment or transfer, the Company shall issue and despatch to CDP or its nominees the share certificates in respect of any Scheme Shares issued or transferred by ordinary post or such other mode as the Committee may deem fit.”.

Rule 6(g)

By deleting the words “five (5) per cent. of the total issued share capital of the Company” at the end of this Rule 6(g) and inserting the words “the limit referred to in Rule 7” in place thereof.

Rule 7

By deleting the existing Rule 7 and substituting therefor the following:

“7. Limitation on the Size of the Scheme

The aggregate number of Scheme Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of all Options granted under this Scheme, shall not exceed five per cent. (5%) of the issued share capital of the Company on the day preceding that date, provided that the maximum aggregate number of Scheme Shares over which the Committee may grant Options shall not exceed ten per cent. (10%) of the issued share capital of the Company on the date that the amendment to this Rule was approved by the Shareholders of the Company in a general meeting or the shareholders of GGL in a general meeting, whichever is the later.”.

Rule 9.1(a)

By inserting the words “provided that no member of the Committee shall participate in any deliberation or decision in respect of Options to be granted to him or held by him” immediately after the words “conferred on it by the Board,” at the end of Rule 9.1(a).

Rule 10

By inserting the words “forty-eight” immediately before the numeral “48” appearing in this Rule 10.

Rule 11(b)

By deleting the word “and” after the words “in general meeting;” at the end of this Rule 11(b).

APPENDIX I AMENDMENTS TO THE ESOS TO COMPLY WITH THE LISTING RULES

Rule 11(c)

By deleting the word “necessary.” at the end of this Rule 11(c) and inserting the word “necessary; and” immediately in place thereof.

Rule 11(d)

By inserting the following new Rule 11(d):

“(d) so long as the Company remains a subsidiary of GGL and the shares of GGL remain listed on HKSE, no alteration shall be made without the prior approval of the shareholders of GGL if such approval is required in respect of such alteration pursuant to the HKSE Listing Rules.”.

Rule 13

By deleting the existing Rule 13 and substituting therefor the following:

“13. Duration of the Scheme

The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing from the date on which the ESOS was adopted by the Company on 31 December 1998, provided always that the Scheme may continue beyond the above stipulated period with the approval of the Company’s shareholders and (if in compliance with the HKSE Listing Rules) the approval of GGL’s shareholders and of any relevant authorities which may then be required.

The expiry or termination of the Scheme shall not affect Options (including related Option Periods) which have been granted and accepted as provided in Rule 2(f), but remained unexercised at the expiry or termination of the Scheme.”.

Rule 14(A)

By inserting the following new Rule 14(A):

“14A. Cancellation of Options

All Options granted but not exercised upon the expiry of the Option Period shall be cancelled by the Company. Where the Company cancels Options and issues new Options to the same Participant, the issue of such new Options may only be made with available unissued Options (and for this purpose, the cancelled Options shall be excluded in the calculation of the available unissued Options).”.

Rule 16(a)

By deleting the word “Employee” wherever appearing in this Rule 16(a) and inserting the word “Participant” in place thereof.

APPENDIX I AMENDMENTS TO THE ESOS TO COMPLY WITH THE LISTING RULES

Rule 20

By inserting the following new Rule 20:

“20. Governing Regulations

As the Company is a subsidiary of GGL, which is listed on the HKSE, the Scheme and these Rules are subject to: (a) the Listing Manual; and (b) the HKSE Listing Rules. In the event of a conflict between the Listing Manual and the HKSE Listing Rules, the more onerous provision shall prevail. Provided always that Options granted in contravention of the Listing Manual and/or (so long as the Company remains a subsidiary of GGL and the shares of GGL remain listed on HKSE) in contravention of the HKSE Listing Rules, shall be null and void.”.

Rule 21

By renumbering the existing Rule 20 to Rule 21.

Rule 1

- (i) Definition of “Aggregate Subscription Price”

By deleting the word “Subscription” and inserting the word “Exercise” in place thereof.

- (ii) Definition of “Company” or “FCC”

By deleting the word “FCC” and inserting the word “GuocoLand” in place thereof and defining “Company” or “GuocoLand” as “GuocoLand Limited (formerly known as “First Capital Corporation Ltd”).

- (iii) Definition of “Directors”

By deleting the words “as at the date of the Circular” immediately after the words “Directors of the Company” and inserting the words “for the time being” in place thereof.

- (iv) Definition of “Exercise Price”

By inserting the following new definition in Rule 1:

““Exercise Price” : The price at which a Participant shall subscribe for or acquire each Scheme Share upon the exercise of an Option (as determined in accordance with Rule 3)”.

- (v) Definition of “Market Day”

By deleting the words “Stock Exchange” immediately after the words “on which the” and inserting the words “SGX-ST” in place thereof.

- (vi) Definition of “Option”

By deleting the words “subscribe for” immediately after the words “The right to” and inserting the words “acquire” in place thereof.

- (vii) Definition of “Scheme”

By deleting the existing definition of “Scheme” in Rule 1 and substituting therefor the following:

““Scheme” : The GuocoLand Limited Executives’ Share Option Scheme (formerly known as the “First Capital Corporation Ltd Executives’ Share Option Scheme”), as amended from time to time”.

(viii) Definition of “Scheme Shares”

By inserting the words “and/or transferred” immediately after the words “to be issued”.

(ix) Definition of “SGX-ST”

By inserting the following new definition in Rule 1:

““SGX-ST” : Singapore Exchange Securities Trading Limited”.

(x) Definition of “SES” or “Stock Exchange”

By deleting the definition of “SES” or “Stock Exchange”.

(xi) Definition of “Shareholders”

By deleting the word “FCC” immediately after the words “in the capital of” and inserting the words “the Company” in place thereof.

(xii) Definition of “Subscription Price”

By deleting the definition of “Subscription Price”.

(xiii) Definition of “Trust”

By inserting the following new definition in Rule 1:

““Trust” : The Trust for the Scheme, being the employee share trust constituted by the Trust Deed”.

(xiv) Definition of “Trust Deed”

By inserting the following new definition in Rule 1:

““Trust Deed” : The trust deed to be entered between the Company and the Trustee for the purpose of the Trust”.

(xv) Definition of “Trustee”

By inserting the following new definition in Rule 1:

““Trustee” : The trustee appointed under the Trust Deed (including the future trustees(s) of the Trust)”.

(xvi) By deleting the word “Circular” in the first line of paragraph 5 of Rule 1 and inserting the word “Scheme” in place thereof.

Rule 2(e)(i)

By deleting the words “Stock Exchange” when appearing in this Rule 2(e)(i) and inserting the words “SGX-ST” in place thereof.

Rule 2(f)

By deleting the existing Rule 2(f) and substituting therefor the following:

“(f) The number of Scheme Shares to be offered to an Employee in accordance with the Scheme shall be determined at the discretion of the Committee who shall take into account criteria such as the rank, length of service and performance of the Employee (including the performance targets laid down by the Company from time to time), and the performance of the Company. On and subject to the terms of the Scheme, the Committee shall be entitled to grant an Option to any Employee at any time within five (5) years after the Adoption Date as the Committee may in its absolute discretion select for such number of Scheme Shares as the Committee may determine at the Exercise Price; provided always that subject to such adjustments as may be made pursuant to the Scheme:

- (i) the maximum entitlement of any Employee, in accordance with and during the entire operation of the Scheme, shall not exceed twenty-five per cent. (25%) in aggregate of the total number of Scheme Shares which have been issued or transferred and may be issued or transferred by the Company (including any Shares which may be issued or transferred pursuant to adjustments, if any, under Rule 8) pursuant to the exercise of Options under the Scheme; and
- (ii) not more than fifty per cent. (50%) of the total number of Scheme Shares which have been issued or transferred and may be issued or transferred by the Company (including any Shares which may be issued or transferred pursuant to adjustments, if any, under Rule 8) may be offered in aggregate to Executive Directors and Employees of the rank of General Manager (or of an equivalent or analogous rank) and above.”

Rule 2(i)

By inserting:

- (a) the words “or transferred” immediately after the words “issued”; and
- (b) the words “or transfer” immediately after the words “such issue”,

both appearing in the first sentence of this Rule 2(i).

Rule 3

By deleting the existing Rule 3 and substituting therefor the following:

“3. Exercise Price

Subject to any adjustment effected pursuant to Rule 8, the Exercise Price for each Scheme Share on the exercise of an Option shall be the average of the closing prices of the Shares as shown in the daily financial news issued by the SGX-ST for each of the last five (5) Market Days immediately prior to the relevant Date of Grant for which there was trading in the Shares or the nominal value of the Shares, whichever is the higher.”

Rule 4(a)

By deleting the existing Rule 4(a) and substituting therefor the following:

“4. Rights to Exercise Options

- (a) An Option shall be exercisable, in whole or in part, at any time during the Option Period in accordance with the provisions of this Rule 4 and Rules 5 and 6; provided always that:
 - (i) the exercise of an Option (including without limitation, the time and manner of such exercise) shall be subject to and in accordance with guidelines as may from time to time be prescribed by the Committee. Notwithstanding any provisions herein, the Committee shall be entitled to treat any exercise of an Option as being invalid or ineffective (whereupon the Option shall lapse) if the Committee has determined or has reason to believe that such exercise would or may be contrary to any law or enactment, or any rules, regulations or guidelines of any regulatory or other relevant authority or body (including without limitation, the SGX-ST) for the time being in force;
 - (ii) where an Option is granted to an Employee who has served less than one (1) year’s service, such Option may not be exercised within two (2) years from the Date of Grant; and
 - (iii) Options, which have been exercised, may be satisfied, at the discretion of the Committee, by the issue of new Shares or the transfer of existing Shares by the Trustee to the Participants.”

Rule 5(a)(i)

By deleting the words “Stock Exchange” when appearing in this Rule and inserting the words “SGX-ST” in place thereof.

Rule 6

By deleting the existing Rule 6 and substituting therefor the following:

“6. Exercise of Options, Transfer or Allotment and Listing of Scheme Shares

- (a) An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Scheme Shares or any multiple thereof), by a Participant giving notice in writing to the Company, in the form or substantially in the form set out in Appendix III (subject to such modification as the Committee may from time to time determine). Such notice must be accompanied by a remittance for the Aggregate Exercise Price and any other documentation the Committee may require. All payments pursuant to this Clause shall be made by cheque, cashier's order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the Aggregate Exercise Price.
- (b) Upon receipt of the notice, remittances or any other documentation referred to in Rule 6(a) and subject to such consents or other required action of any competent authority under regulations or enactments for the time being in force as may be necessary and subject to compliance with the Rules, the Scheme Shares shall be allotted and issued or transferred to a Participant not more than ten (10) Market Days after the exercise of an Option and within five (5) Market Days from the date of such allotment or transfer, the Company shall issue and despatch to CDP the share certificates in respect of any new Shares issued by ordinary post or such other mode as the Committee may deem fit.
- (c) Scheme Shares which are allotted or transferred on the exercise of an Option by a Participant shall be registered in the name of CDP or its nominees to be credited to the Participant's securities account with CDP or sub-account maintained with a Depository Agent.
- (d) The Scheme Shares, when issued or transferred, shall be subject to all the provisions of the Memorandum and Articles of Association of the Company, and shall rank in full for all entitlements including dividends or other distributions declared or recommended in respect of the then existing issued Shares, the Record Date for which is on or after the date upon which such allotment or transfer takes place, and shall in all other respects rank pari passu with other Shares then in issue.
- (e) So long as the Shares of the Company in issue are listed on the SGX-ST, the Company shall, as soon as practicable after the exercise of an Option apply to the SGX-ST and any other stock exchanges on which the Shares are quoted, for permission to deal in and for quotation of such Scheme Shares to be issued and allotted pursuant to the exercise of Options by a Participant on the SGX-ST and such other stock exchanges, as the case may be.

- (f) Options granted under the Scheme will not be listed on the SGX-ST.
- (g) The Company shall keep available sufficient unissued Shares and/or cause the Trustee to hold sufficient existing issued Shares to satisfy the exercise in full of all Options for the time being remaining capable of being exercised, provided that such Shares set apart shall not exceed five (5) per cent. of the total issued share capital of the Company.”.

Rule 7

By inserting:

- (a) the words “(and transferred)” immediately after the words “number of Shares issued”; and
- (b) the words “(and transferable)” immediately after the words “and issuable” and before the words “in respect of all Options granted”.

Rule 8(a)(i)

By deleting the word “Subscription” before the word “Price” and inserting the word “Exercise” in place thereof.

Rule 8(b)

By deleting the word “Subscription” before the word “Price” of Rule 8(b)(i) and inserting the word “Exercise” in place thereof and by inserting the words “or acquire” immediately after the words “subscribe for” of Rule 8(b)(ii).

Rule 8(d)

By deleting the word “Subscription” before the word “Price” and inserting the word “Exercise” in place thereof and by inserting the words “or transferred by the Trustee” immediately after the words “to be issued”, and before the words “on the exercise of the Option”.

Rule 9

By deleting the existing Rule 9 and substituting therefor the following:

“9. Administration of the Scheme

- 9.1 (a) The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board.
- (b) The Committee shall have the power, from time to time, to make and vary such regulations (not being inconsistent with this Scheme) for the implementation and administration of this Scheme as they may deem fit.

- (c) Any decision of the Committee, made pursuant to any provisions of this Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of this Scheme or any rule, regulation, or procedure thereunder as to any rights under this Scheme).

9.2 In the event that the Committee decides to satisfy the exercise of any Options by the transfer of existing Shares to any Participant:

- (a) the Committee may direct the Trustee to acquire existing Shares and to hold such Shares in trust for the Participants for the purpose of the Scheme, and to transfer such Shares to the Participants in satisfaction of the exercise of any Options by any Participant; and
- (b) the Group may provide money or other permissible financial assistance under the Act to enable the Trustee to acquire existing Shares to be held in trust for the Participants for the purpose of the Scheme.”.

Rule 11(a)

By inserting the words “and/or transferred by the Trustee” immediately after the words “all the Scheme Shares which would be allotted” in this Rule 11(a).

Rule 11(b)

By deleting the word “Subscription” before the word “Price” and inserting the word “Exercise” in place thereof.

Rule 11(c)

By deleting the word “Stock Exchange” and inserting the word “SGX-ST” in place thereof.

Rule 11, Second Paragraph

By deleting the word “Stock Exchange” wherever appearing and inserting the word “SGX-ST” in place thereof.

Rule 16(b)

By inserting:

- (a) the words “stamp duties,” immediately after the words “all fees,”; and
- (b) the words “transfer, or” immediately after the words “costs and expenses relating to the”.

Rule 17

By inserting the words “transferring, or” immediately after the words “not limited to the Company’s delay in” and by deleting the word “Stock Exchange” and inserting the word “SGX-ST” in place thereof.

Rule 20

By inserting the following as Rule 20

“20. Contracts (Rights of Third Parties) Act

The Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore shall not be applicable to the Scheme and a person who is not a party to the Scheme shall not have any rights under the Contracts (Rights of Third Parties) Act to enforce any term of the Scheme.”

1 RESPONSIBILITY STATEMENT

The Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in the Circular 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.

2 DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions, if any, of the Directors and the chief executive of the Company in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or the chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required to be and are recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies pursuant to the Listing Rules, were as follows:

(A) The Company

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of the Company
	Personal interests	Corporate interests	Total interests	
Quek Leng Chan	1,656,325	223,765,870	225,422,195	<i>Note</i> 68.51%
Kwek Leng Hai	2,820,775	—	2,820,775	0.86%
Sat Pal Khattar	691,125	—	691,125	0.21%
Kwek Leng San	209,120	—	209,120	0.06%
Tan Lim Heng	559,230	—	559,230	0.17%
James Eng, Jr.	565,443	—	565,443	0.17%
Harry Richard Wilkinson	5,000	—	5,000	0.00%

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 225,422,195 shares/underlying shares comprised 217,563,347 ordinary shares of the Company and 7,858,848 underlying shares of other unlisted derivatives.

The corporate interests of 223,765,870 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuoLine Overseas Limited (“GOL”)	217,013,295
MPI (BVI) Limited (“MPI (BVI)”)	327,575
Guoinvest International Limited (“Guoinvest”)	6,425,000

MPI (BVI) was wholly owned by Malaysian Pacific Industries Berhad which was 56.11% owned by Hong Leong Industries Berhad which was in turn 60.16% owned by Hong Leong Company (Malaysia) Berhad (“HLCM”). GOL and Guoinvest were wholly owned by GuoLine Capital Assets Limited which was in turn wholly owned by HLCM. HLCM was 49.11% owned by Mr. Quek Leng Chan (2.43%) and HL Holdings Sdn Bhd (46.68%) which was in turn wholly owned by Mr. Quek Leng Chan.

(B) Associated Corporations

a) *Hong Leong Company (Malaysia) Berhad (“HLCM”)*

Director	Number of *shares (Long Position)				Approx. % of the issued share capital of HLCM
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	390,000	7,487,100	7,877,100	<i>Note</i>	49.11%
Kwek Leng Hai	400,500	—	400,500		2.50%
Kwek Leng San	97,500	—	97,500		0.61%

* Ordinary shares

Note:

The corporate interest of 7,487,100 shares was held by HL Holdings Sdn Bhd which was in turn wholly owned by Mr. Quek Leng Chan.

b) *GuocoLand Limited (“GLL”)*

Director	Number of *shares (Long Position)			Notes	Approx. % of the issued share capital of GLL
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	14,047,224	459,407,229	473,454,453	1	71.14%
Kwek Leng Hai	18,851,140	—	18,851,140		2.83%
Sat Pal Khattar	5,000,000	5,392,362	10,392,362	2	1.56%
Volker Stoeckel	100,000	—	100,000		0.01%

* Ordinary shares

Notes:

1. The corporate interests of 459,407,229 shares comprised the respective direct interests held by:

	Number of shares
Hong Leong Consultancy Services Sdn Bhd (“HLCS”)	44,045,989
Guoco Investment Pte Ltd (“GIPL”)	345,696,942
Asia Fountain Investment Company Limited (“AFI”)	69,664,298

GIPL and AFI were wholly owned subsidiaries of the Company. HLCS was wholly owned by Hong Leong Management Co Sdn Bhd which was in turn wholly owned by Hong Leong Company (Malaysia) Berhad (“HLCM”). The respective controlling shareholders of the Company and HLCM as well as their respective percentage controls are shown in the Note under Part (A) above.

2. The corporate interests of 5,392,362 were directly held by Khattar Holdings Pte Ltd which was 0.61% owned by Mr. Sat Pal Khattar and was accustomed to act according to his directions.

c) *Hong Leong Credit Berhad (“HLCB”)*

Director	Number of *shares/underlying shares (Long Position)			Notes	Approx. % of the issued share capital of HLCB
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	11,046,600	821,053,254	832,099,854	1	79.95%
Kwek Leng Hai	916,800	—	916,800	2	0.09%
Tan Lim Heng	245,700	—	245,700		N/A

* Ordinary shares unless otherwise specified in the Notes

Notes:

1. The total interests of 832,099,854 shares/underlying shares comprised 824,870,154 ordinary shares of HLCB and 7,229,700 underlying shares of other unlisted derivatives.

The corporate interests of 821,053,254 shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Company (Malaysia) Berhad (“HLCM”)	546,476,568
Hong Leong Management Co Sdn Bhd (“HLMC”)	263,440
Hong Leong Nominees Sendirian Berhad (“HLN”)	3,600
Guoinvest International Limited (“Guoinvest”)	7,229,700
Guoco Investments (Bermuda) Limited (“GIB”)	41,686,700
Guoco Assets Sdn Bhd (“GASB”)	225,393,246

GIB and GASB were wholly owned by the Company. HLN was wholly owned by HLMC which was in turn wholly owned by HLCM.

The respective controlling shareholders of the Company, HLCM and Guoinvest as well as their respective percentage controls are shown in the Note under Part (A) above.

2. The total interests of 916,800 shares/underlying shares comprised 756,000 ordinary shares of HLCB and 160,800 underlying shares of listed physically settled options issued by HLCB exercisable between 20 August 1997 and 27 June 2007 at an exercise price of MYR4.99 per share.

d) *Hong Leong Properties Berhad (“HLPB”)*

Number of *shares/underlying shares (Long Position)

Director	Personal interests	Corporate interests	Total interests	Notes	Approx. % of the issued share capital of HLPB
Quek Leng Chan	3,266,280	329,926,392	333,192,672	1	47.57%
Kwek Leng Hai	226,800	—	226,800		0.03%
Sat Pal Khattar	162,700	—	162,700	2	0.02%
Tan Lim Heng	73,710	—	73,710		0.01%

* Ordinary shares unless otherwise specified in the Notes

Notes:

1. The total interests of 333,192,672 shares/underlying shares comprised 308,615,892 ordinary shares of HLPB, 22,916,820 underlying shares of listed physically settled options issued by HLPB exercisable between 2 October 1995 and 1 October 2005 at an exercisable price of MYR3.05 per share and 1,659,960 underlying shares of other unlisted derivatives.

The corporate interest of 329,926,392 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Guoinvest International Limited (“Guoinvest”)	1,659,960
GLL (Malaysia) Pte Ltd (“GLLM”)	292,933,657
Hong Leong Management Co Sdn Bhd (“HLMC”)	107,082
OYL (BVI) Limited (“OYL(BVI)”)	4,343,000
Hume Plastics (Malaysia) Sdn Berhad (“HPM”)	3,005,286
Hong Leong Industries Berhad (“HLI”)	2,188,500
HLI Trading Limited (“HLIT”)	14
MPI (BVI) Limited (“MPI(BVI)”)	2,772,100
Hong Leong Credit Berhad (“HLCB”)	22,916,793

GLLM was wholly owned by GuocoLand Limited (“GLL”). HLIT was wholly owned by HLI. HPM was wholly owned by Hume Industries (Malaysia) Berhad which was 63.80% owned by HLCM. OYL(BVI) was wholly owned by O.Y.L. Industries Bhd which was in turn 39.77% owned by Hong Leong Secretarial Services Sdn Bhd (“HLSS”). HLSS was wholly owned by HLMC.

The respective controlling shareholders of Guoinvest, HLCM, HLI and MPI(BVI) and their respective percentage controls are shown in the Note under Part (A) above.

The respective controlling shareholders of GLL and HLMC as well as their percentage controls are shown in Note 1 under Part (B)(b) above.

The controlling shareholder of HLCB and its percentage control are shown in Note 1 under Part (B)(c) above.

- The total interests of 162,700 shares/underlying shares comprised 152,700 ordinary shares of HLPB and 10,000 underlying shares of listed physically settled options.

e) *Hong Leong Industries Berhad (“HLI”)*

Director	Number of *shares/underlying shares (Long Position)/ Amount of Debentures			Notes	Approx. % of the issued share capital of HLI
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	1,308,000	170,580,335	171,888,335	1	78.86%
Kwek Leng Hai	215,312	—	215,312	2	0.10%
	MYR 165,000	—	MYR165,000	3	N/A
Sat Pal Khattar	208,580	—	208,580	4	0.10%
	MYR171,000	—	MYR171,000	5	N/A
Kwek Leng San	2,200,000	—	2,200,000	6	1.01%
	MYR1,550,000	—	MYR1,550,000	7	N/A

* Ordinary shares unless otherwise specified in the Notes

Notes:

1. The total interests of 171,888,335 shares/underlying shares comprised 132,407,900 ordinary shares of HLI, 15,313,372 underlying shares of listed physically settled options issued by HLI exercisable between 13 November 2001 and 13 November 2006 at an exercisable price of MYR8.00 per share and 24,167,063 underlying shares of listed physically settled options issued by HLI exercisable between 28 June 2002 and 28 June 2007.

The corporate interests of 170,580,335 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Company (Malaysia) Berhad ("HLCM")	168,348,472
Hong Leong Management Co Sdn Bhd ("HLMC")	46,703
Hong Leong Assurance Berhad ("HLA")	1,935,483
Hong Leong Bank Berhad ("HLBB")	249,677

HLA was wholly owned by HLCB.

The controlling shareholder of HLBB and its percentage control are shown in the Note under Part B(f) below.

The controlling shareholder of HLCM and its percentage control are shown in the Note under Part (A) above.

The controlling shareholder of HLMC and its percentage control are shown in Note 1 under Part (B)(b) above.

The controlling shareholder of HLCB and its percentage control are shown in Note 1 under Part (B)(c) above.

2. The total interests of 215,312 shares/underlying shares comprised 163,200 ordinary shares of HLI, 25,500 underlying shares of listed physically settled options issued by HLI exercisable between 13 November 2001 and 13 November 2006 at an exercise price of MYR8.00 per share and 26,612 underlying shares of listed physically settled options issued by HLI exercisable between 28 June 2002 and 28 June 2007.
3. These debentures were freely transferable and convertible into shares of HLI and were exercisable between 28 June 2002 and 28 June 2007.
4. The total interests of 208,580 shares/underlying shares comprised 171,000 ordinary shares of HLI, 10,000 underlying shares of listed physically settled options issued by HLI exercisable between 13 November 2001 and 13 November 2006 at an exercise price of MYR8.00 per share and 27,580 underlying shares of listed physically settled options issued by HLI exercisable between 28 June 2002 and 28 June 2007.
5. These debentures were freely transferable and convertible into shares of HLI and were exercisable between 28 June 2002 and 28 June 2007.
6. The total interests of 2,200,000 shares/underlying shares comprised 1,550,000 ordinary shares of HLI, 400,000 underlying shares of unlisted physically settled options issued by HLI exercisable between 24 December 1999 and 23 December 2004 at an exercise price of MYR8.83 per share and 250,000 underlying shares of listed physically settled options issued by HLI exercisable between 28 June 2002 and 28 June 2007.
7. These debentures were freely transferable and convertible into shares of HLI and were exercisable between 28 June 2002 and 28 June 2007.

f) *Hong Leong Bank Berhad (“HLBB”)*

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of HLBB
	Personal interests	Corporate interests	Total interests	
Quek Leng Chan	40,000	952,875,600	952,915,600	Note 60.31%
Kwek Leng Hai	3,955,700	—	3,955,700	0.25%
Sat Pal Khattar	294,000	—	294,000	0.02%
Kwek Leng San	385,000	—	385,000	0.02%

* Ordinary shares

Note:

The corporate interest of 952,875,600 shares comprised the respective direct interests held by:

	Number of shares
Hong Leong Credit Berhad (“HLCB”)	948,973,500
Hong Leong Equities Sdn Bhd (“HLESB”)	2,600,000
Hong Leong Assurance Berhad (“HLA”)	1,302,100

HLESB and HLA were wholly owned by HLCB. The controlling shareholder of HLCB and its percentage control are shown in Note 1 under Part (B)(c) above.

g) *HLG Capital Berhad (“HLGC”)*

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of HLGC
	Personal interests	Corporate interests	Total interests	
Kwek Leng Hai	500,000	—	500,000	0.41%
Kwek Leng San	119,000	—	119,000	0.10%

* Ordinary shares

h) *Malaysian Pacific Industries Berhad (“MPI”)*

Director	Number of *shares/underlying shares (Long Position)			Approx. % of the issued share capital of MPI	
	Personal interests	Corporate interests	Total interests		
Quek Leng Chan	53,500	115,737,009	115,790,509	Note	58.21%
Sat Pal Khattar	210,000	—	210,000		0.11%
Kwek Leng San	315,000	—	315,000		0.16%

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 115,790,509 shares/underlying shares comprised 114,031,109 ordinary shares of MPI and 1,759,400 underlying shares of other unlisted derivatives.

The corporate interests of 115,737,009 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Industries Berhad (“HLI”)	111,609,547
Guoinvest International Limited (“Guoinvest”)	1,759,400
Hongvest Sdn Bhd (“Hongvest”)	735,000
Hong Leong Nominees Sendirian Berhad (“HLN”)	6,462
Hong Leong Assurance Berhad (“HLA”)	1,376,600
Hong Leong Bank Berhad (“HLBB”)	250,000

Hongvest was wholly owned by MPI Holdings Sdn Bhd which was in turn wholly owned by HLCM.

The respective controlling shareholders of Guoinvest and HLCM as well as their respective percentage controls are shown in the Note under Part (A) above.

The respective controlling shareholders of HLCB and HLN as well as their respective percentage controls are shown in Note 1 under Part (B)(c) above.

The controlling shareholder of HLBB and its percentage control are shown in the Note under Part (B)(f) above.

The respective controlling shareholders of HLI and HLA as well as their respective percentage controls are shown in Note 1 under Part (B)(e) above.

i) *Hume Industries (Malaysia) Berhad (“HIMB”)*

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of HIMB
	Personal interests	Corporate interests	Total interests	
Quek Leng Chan	4,034,000	115,605,894	119,639,894	Note 62.57%
Sat Pal Khattar	200,000	—	200,000	0.10%

* Ordinary shares

Note:

The corporate interests of 115,605,894 shares comprised the respective direct interests held by:

	Number of shares
Hong Leong Company (Malaysia) Berhad (“HLCM”)	113,987,027
Hong Leong Management Co Sdn Bhd (“HLMC”)	38,867
Hong Leong Assurance Berhad (“HLA”)	1,580,000

The controlling shareholder of HLCM and its percentage control are shown in the Note under Part (A) above.

The controlling shareholder of HLMC and its percentage control are shown in Note 1 of Part (B)(b) above.

The controlling shareholding of HLA and its percentage control are shown in Note 1 of Part (B)(e) above.

j) *Narra Industries Berhad (“NIB”)*

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of NIB
	Personal interests	Corporate interests	Total interests	
Quek Leng Chan	8,170,200	38,304,000	46,474,200	Note 74.73%

* Ordinary shares

Note:

The corporate interests of 38,304,000 shares were directly held by Hume Industries (Malaysia) Berhad (“HIMB”).

The controlling shareholder of HIMB and its percentage control are shown in the Note of Part (B)(i) above.

k) *Lam Soon (Hong Kong) Limited (“LSHK”)*

Director	Number of *shares (Long Position)			Approx. % of the issued share capital of LSHK
	Personal interests	Corporate interests	Total interests	
Kwek Leng Hai	2,300,000	—	2,300,000	0.95%
Tan Lim Heng	274,000	—	274,000	0.11%
James Eng, Jr.	149,000	—	149,000	0.06%

* Ordinary shares

(C) **Others**

The associated corporations in which Mr. Quek Leng Chan were deemed to be interested solely through his deemed controlling interests in HLCCM and/or its subsidiaries were as follows:

Guoman Hotel & Resort Holdings Sdn Bhd	MEHY Sdn Bhd
Luck Hock Venture Holdings, Inc.	RZA Logistics Sdn Bhd
Carsem (M) Sdn Bhd	Lam Soon (Hong Kong) Limited
Carter Realty Sdn Bhd	LS Golden Oils & Fats Limited
Guolene Packaging Industries Berhad	Kwok Wah Hong Flour Company Limited
Guolene Plastic Films Sdn Bhd	M.C. Packaging Offshore Limited
Guocera Tile Industries (Meru) Sdn Bhd	Lam Soon Ball Yamamura Incorporation
Guocera Tile Industries (Labuan) Sdn Bhd	Guangzhou Lam Soon Food Products Limited
Hong Leong Fund Management Sdn Bhd	Shenzhen Lam Soon Edible Oils Company Limited
Hong Leong Yamaha Distributors Sdn Bhd	Shekou Lam Soon Silo Company Limited
Hong Leong Yamaha Motor Sdn Bhd	HLG Capital Berhad
	Hong Leong Industries Berhad*

* In respect of interests in debentures only

The Company applied for and the Stock Exchange granted a waiver from full compliance with the disclosure requirements in respect of details of the deemed interests of Mr. Quek Leng Chan in the above associated corporations under Paragraph 38(1) of Part B of Appendix 1 to the Listing Rules.

Save as disclosed herein, as at the Latest Practicable Date,

- (a) none of the Directors had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions

which the Directors or the chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required to be and are recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies pursuant to the Listing Rules;

- (b) none of the Directors had entered into any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employee within one year without payment of compensation (other than statutory compensation));
- (c) none of the Directors nor Access Capital was interested, directly or indirectly, in any assets which had been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group since 30 June 2004, being the date to which the latest published audited financial statements of the Company were made up;
- (d) none of the Directors was materially interested in any contracts or arrangements subsisting at the date of the Circular which was significant in relation to the business of the Group; and
- (e) Access Capital had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

3 QUALIFICATION AND CONSENT

Access Capital is a deemed licensed corporation under the SFO, permitted to engage in types 1, 4, 6 and 9 regulated activities under the SFO. Access Capital has given and has not withdrawn its written consent to the issue of the Circular with the inclusion of and references to its name in the form and context in which they appear.

4 MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse changes in the financial position or trading prospects of the Group since 30 June 2004, the date to which the latest audited financial statements of the Group were made up.

5 MISCELLANEOUS

- (a) Mr. Quek Leng Chan is a director and a deemed controlling shareholder, and Messrs. Kwek Leng Hai and Kwek Leng San are directors, of Hong Leong Company (Malaysia) Berhad (“HLCM”), a substantial shareholder of the Company. HLCM is one of the largest conglomerates based in Malaysia and is engaged in a diverse range of business, including financial services, manufacturing and property investment and development.

Mr. Tan Lim Heng is a non-executive director of Shanghai Land Holdings Limited, a former associated company of the Company, which is engaged in property investment and development in the PRC.

The above Directors are considered as having interests in business apart from the Group's business, which is likely to complete, directly or indirectly, with the Group's business under Rule 8.10 of the Listing Rules.

- (b) The qualified accountant of the Company is Mr. Tsang Cho Tai. He is a fellow member of the Association of Chartered Certified Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountant as well as an associate member of the Institute of Chartered Accountants in England and Wales.
- (c) The secretary of the Company is Ms. Stella Lo Sze Man. She is an associate member of The Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Company Secretaries.
- (d) The registered office of the Company is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.
- (e) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investors Services Limited at Shops 1712-6, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (f) The English text of the Circular shall prevail over the Chinese text, in the case of any inconsistency.

6 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal office of the Company in Hong Kong at 50th Floor, The Center, 99 Queen's Road Central, Hong Kong during normal business hours up to and including Friday, 15 October 2004 and at the Special General Meeting:

- (a) the letter from the Independent Board Committee;
- (b) the letter from Access Capital to the Independent Board Committee;
- (c) a draft copy of the ESOS;
- (d) a draft copy of the Trust Deed; and
- (e) the written consent referred to in the paragraph headed "Qualification and Consent" in this appendix.

Pursuant to the Bye-Laws of the Company, at any general meeting of the Company a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the Chairman of the meeting; or
- (ii) by at least three Shareholders present in person or by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any Shareholder or Shareholders present in person or by a duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote at the meeting; or
- (iv) by any Shareholder or Shareholders present in person or by a duly authorised corporate representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

NOTICE OF SGM



國浩集團有限公司
Guoco Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00053)

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 Friday, 15 October 2004 at 10:00 a.m. (or as soon thereafter as the annual general meeting of the Company convened for the same date and place, shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:

ORDINARY RESOLUTION NO. 1

“**THAT** the Continuing Connected Transactions (as defined in the circular to shareholders of the Company dated 28 September 2004, a copy of which has been produced to this meeting marked “A” and signed by the Chairman of this meeting for the purpose of identification) which the Company expects to occur on a regular and continuous basis, be generally and unconditionally approved and **THAT** any one director of the Company be authorised to do all such further acts and things and execute all such further documents and take all such steps which in their opinion may be necessary, desirable or expedient to implement and/or give effect to the Continuing Connected Transactions.”

ORDINARY RESOLUTION NO. 2

“**THAT** subject to Ordinary Resolution No. 1 being approved, the proposed amendments to the ESOS (as defined in the circular (the “Circular”) to shareholders of the Company dated 28 September 2004, a copy of which has been produced to this meeting marked “A” and signed by the Chairman of this meeting for the purpose of identification) as set out in Appendix II to the Circular, be and is hereby approved.”

ORDINARY RESOLUTION NO. 3

“**THAT**, subject to the approval of the shareholders of GuocoLand Limited at its Extraordinary General Meeting, the proposed amendments to the ESOS (as defined in the circular (the “Circular”) to shareholders of the Company dated 28 September 2004, a copy of which has been produced to this meeting marked “A” and signed by the Chairman of this meeting for the purpose of identification) as set out in Appendix I to the Circular, be and is hereby approved.”

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 27 September 2004

NOTICE OF SGM

Principal office:

50th Floor, The Center
99 Queen's Road Central
Hong Kong

Notes:

1. A shareholder entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy does not need to be a shareholder of the Company.
2. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority notarially certified, 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 appointed for the holding of the meeting or adjourned meeting, as the case may be. Completion and return of the form of proxy will not preclude a shareholder from attending and voting at the meeting if the shareholder so desires.