



Guoco Group Limited

國浩集團有限公司

(Incorporated in Bermuda with limited liability)

CONDITIONAL CASH OFFER

by

Morgan Stanley Dean Witter Asia Limited

on behalf of the Company

to repurchase up to 86,000,000 Shares

(subject to adjustment for increase to up to 107,000,000 Shares)

at between HK\$50.00 and HK\$55.00 in cash per Share

RESULTS OF THE OFFER

As at 4:00 pm on 26 November 2001, being the date on which the Offer was closed, valid Tenders in respect of 147,736,331 Shares had been received by the Company from the Accepting Shareholders, representing approximately 34.27% of the total issued share capital of the Company as at the Latest Acceptance Time. Having regard to the total number of Shares which have been validly tendered, the Board has decided to exercise the Over-Allocation in full in accordance with the terms of the Offer and increase the Maximum Number to 107,000,000 Shares.

In accordance with the terms of the Offer, the Strike Price has been set at HK\$50.00 per Share. Up to 107,000,000 Shares which were validly tendered at the Strike Price (or at a specified price which is equal to the Strike Price as set) will be accepted and repurchased by the Company at the Strike Price of HK\$50.00 per Share pursuant to the Offer. The total consideration payable by the Company under the Offer is approximately HK\$5,350 million.

It is expected that, on or before 1 December 2001, the Registrar will despatch cheques for amounts payable to successful Accepting Shareholders in respect of validly tendered Shares accepted under the Offer (after deducting half of any stamp duty due on the repurchase of the relevant Shares) and (as far as practicable), on the same date, return any share certificates representing Shares which were not successfully tendered and/or not accepted under the Offer. Where it is not practicable for the Registrar to despatch all such share certificates to Accepting Shareholders on 1 December 2001, the remaining share certificates will be despatched by the Registrar no later than 5 December 2001.

INTRODUCTION

Reference is made to the announcements dated 8 September 2001, 14 September 2001, 16 October 2001, 23 October 2001, 28 October 2001 and 14 November 2001 by Guoco Group Limited (the "Company") in respect of the Offer and the Circular of the Company dated 29 October 2001. Terms defined in the Circular have the same meanings when used in this announcement, unless the context requires otherwise.

VALIDLY TENDERED SHARES

As at 4:00 pm on 26 November 2001, being the date on which the Offer was closed, valid Tenders in respect of a total of 147,736,331 Shares had been received by the Company from the Accepting Shareholders, representing approximately 34.27% of the total issued share capital of the Company as at the Latest Acceptance Time.

EXERCISE OF THE OVER-ALLOCATION

The Maximum Number of Shares to be repurchased by the Company pursuant to the Offer was initially set at 86,000,000 Shares, representing approximately 19.95% of the total issued share capital of the Company as at the Latest Acceptance Time.

Having regard to the total number of Shares which have been validly tendered and the number of Shares tendered at different prices, the Board has decided to exercise the Over-Allocation in full in accordance with the terms of the Offer and increase the Maximum Number to 107,000,000 Shares, representing approximately 24.82% of the total issued share capital of the Company as at the Latest Acceptance Time.

STRIKE PRICE AND TOTAL CONSIDERATION PAYABLE

In accordance with the terms of the Offer, the Strike Price has been set at HK\$50.00 per Share, being the lowest price per Share within the Range (in integral multiples of HK\$0.25) that will allow the Company to repurchase the Maximum Number of Shares (as revised pursuant to the Over-Allocation). Therefore, up to 107,000,000 Shares which were validly tendered at the Strike Price (or at a specified price which is equal to the Strike Price as set) will be accepted and repurchased by the Company at the Strike Price of HK\$50.00 per Share pursuant to the Offer.

The Strike Price of HK\$50.00 represents a premium of approximately 6.16% over the closing price of Shares of HK\$47.10 per Share, as quoted on the Stock Exchange on 7 September 2001, being the last full trading day immediately prior to the first announcement of the Offer.

The total consideration payable by the Company under the Offer is approximately HK\$5,350 million.

BASIS OF SUCCESSFUL ACCEPTING SHAREHOLDERS' PRO RATA ENTITLEMENT

Shares validly tendered at the Strike Price of HK\$50.00 per Share by Accepting Shareholders to the Company pursuant to the Offer will be accepted in full to the extent of each such Accepting Shareholder's Assured Entitlement. Excess Tenders at the Strike Price or at a specified price which is equal to the Strike Price will be accepted, and will be pro-rated to ensure that the number of Shares repurchased by the Company does not exceed the Maximum Number.

Out of the total of 93,974,927 Shares in respect of which Excess Tenders have been validly made, a total of 53,238,309 Shares are expected to be accepted, representing approximately 56.65% of those Shares received by way of Excess Tenders. In view of the total number of Shares tendered at the Strike Price set, it would not be possible for the Company to repurchase any remaining odd lot holding of Shares from Accepting Shareholders even if they have indicated their preference to hold board lots of 1,000 Shares.

In accordance with the terms of the Offer, allocation of Assured Entitlement and acceptance of Excess Tenders for each Accepting Shareholder will be rounded down to the nearest whole number. Subject to final verification, the aggregate number of Shares to be repurchased under the Offer is expected to be 106,999,713 Shares, which is slightly less than the Maximum Number ultimately set as a result of the rounding.

As the Strike Price is set at the minimum level within the Range, all valid Tenders from the Accepting Shareholders will be accepted on the same basis. Based on the number of valid Tenders received from the Accepting Shareholders, approximately 72.426% of the Shares tendered at HK\$50.00 or at the Strike Price by each Accepting Shareholder is expected to be repurchased under the Offer.

All Shares tendered above the Strike Price of HK\$50.00 have been rejected.

DESPATCH OF CHEQUES AND RETURN OF SHARE CERTIFICATES

It is expected that, on or before 1 December 2001, the Registrar will, by post at their own risk, inform all successful Accepting Shareholders who have, or are deemed to have, validly tendered Shares, of the number of Shares tendered by them which have been accepted under the Offer, and at the same time, the Registrar will despatch cheques for amounts payable to the successful Accepting Shareholders in respect of such validly tendered Shares (after deducting half of any stamp duty due on the repurchase of the relevant Shares). It is also expected that the Registrar will (as far as practicable), on the same date, return any share certificates representing Shares which were not successfully tendered and/or not accepted under the Offer. Where it is not practicable for the Registrar to despatch all such share certificates to Accepting Shareholders on or before 1 December 2001, the remaining share certificates will be despatched by the Registrar no later than 5 December 2001.

In the case of any successful Accepting Shareholder, where the number of Shares represented by the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title sent in connection with his Tender Form to the Registrar in acceptance of the Offer exceeded 50,000 and such Accepting Shareholder has, on or before 26 November 2001, made separate arrangements with the Registrar for personal collection at the Registrar's office of the remittance due to him in respect of the Shares accepted under the Offer, such Accepting Shareholder may collect the remittance due to him (after deducting half of any stamp duty due on the repurchase of the relevant Shares) as well as any share certificate(s) representing Shares which were not successfully tendered and/or not accepted under the Offer. Personal collection should be made at the Registrar's office, being Central Registration Hong Kong Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong at the times and in the manner in accordance with the relevant Shareholder's arrangements made with the Registrar. Any relevant remittance not collected from the Registrar's office by 1:00 pm on Saturday, 1 December 2001 and any share certificates not collected from the Registrar's office by 1:00 pm on Wednesday, 5 December 2001 will be despatched to the relevant Accepting Shareholders by ordinary post at their own risk.

ODD LOTS ARRANGEMENTS

As mentioned in the Circular, the Company has appointed Dao Heng Securities Limited of 12th Floor, The Center, 99 Queen's Road Central, Hong Kong, as the designated broker to match sales and purchases of odd lot holdings of Shares. Dao Heng Securities Limited will commence providing such matching services on Monday, 3 December 2001 and will continue to provide these services up to and including Friday, 4 January 2002. Holders of odd lot holdings of Shares who wish to take advantage of this facility either to dispose of their odd lots or to top up their odd lots to whole board lots of 1,000 Shares may, through their respective brokers, contact Ms Priscilla Cheung of Dao Heng Securities Limited at telephone no. (852) 2218 2930 during normal business hours.

FINAL DIVIDEND

All Shares successfully tendered under the Offer will be cancelled and will not rank for the final dividend to be paid by reference to the Record Date which falls after the date of their cancellation.

GENERAL

In computing the number of Shares represented by the Tenders, there may be included or excluded, for the purposes of this announcement, Tenders which are not in all respects in order or are subject to verification.

Should any Shareholder require any assistance or have any queries in respect of the despatch of cheques and/or the return of share certificates as mentioned above, the Shareholder may contact the Registrar at its hotline at (852) 2862 8633 up to, and including, Friday, 7 December 2001 between 9:00 am and 5:00 pm (Hong Kong time) from Monday to Friday (both days inclusive) and between 9:00 am and 12:00 noon (Hong Kong time) on Saturday.

By Order of the Board
James Eng, Jr.
Director

Hong Kong, 27 November 2001

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, their opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any of their statements in this announcement misleading.

Please also refer to the published version of this announcement in South China Morning Post and Hong Kong Economic Journal.