
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 advisers.

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

This circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Guoco Group Limited. The directors of Guoco Group Limited collectively and individually accept full responsibility for the accuracy of the information contained in this 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. The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



國浩集團有限公司

Guoco Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 53)

**THE GUOCOLAND LIMITED EXECUTIVES' SHARE OPTION SCHEME 2008
THE GUOCOLEISURE LIMITED EXECUTIVES' SHARE OPTION SCHEME 2008
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 3 to 6 of this circular. A notice convening the annual general meeting of Guoco Group Limited to be held at 50th Floor, The Center, 99 Queen's Road Central, Hong Kong on Friday, 21 November 2008 at 10:30 a.m. is set out on pages 20 to 22 of this circular. Whether or not you intend to attend the meeting, please complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as possible and in any event no later than 48 hours before the time appointed for the time fixed for holding of the meeting or the adjourned meeting thereof as the case may be. Completion and delivery of the proxy form will not preclude you from attending and voting at the meeting should you so wish.

10 October 2008

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
Introduction	3
The GLL ESOS 2008 and The GL ESOS 2008	3
General Mandates to Issue and Repurchase Shares	5
Re-election of Directors	5
Recommendation	5
AGM	5
APPENDIX I – OVERVIEW OF THE GLL ESOS 2008 AND THE GL ESOS 2008	7
APPENDIX II – EXPLANATORY NOTES TO REPURCHASE MANDATE	13
APPENDIX III – DETAILS OF PROPOSED DIRECTORS TO BE RE-ELECTED ..	16
APPENDIX IV – PROCEDURES FOR DEMANDING A POLL	19
NOTICE OF ANNUAL GENERAL MEETING	20

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held on 21 November 2008 at 10:30 a.m.
“Board”	the board of directors of the Company
“Bye-Laws”	the Bye-Laws of the Company
“Company” or “GGL”	Guoco Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Existing GL SOP”	the existing GuocoLeisure Share Option Plan (formerly known as The BIL International Share Option Plan) approved by GL shareholders in 2001
“Existing GL Scheme”	the existing GuocoLeisure Value Creation Incentive Share Scheme (formerly known as BIL Value Creation Incentive Share Scheme) approved by the board of directors of GL in 2003
“Existing GLL Scheme”	the existing GuocoLand Limited Executives’ Share Option Scheme approved by GLL shareholders in 1998 and further approved and amended by GGL shareholders in 1999 and 2004 respectively
“GL”	GuocoLeisure Limited, a 54.3% owned subsidiary of the Company listed on SGX-ST with secondary listings on New Zealand Exchange Limited and London Stock Exchange plc
“GL ESOS 2008”	the proposed GuocoLeisure Limited Executives’ Share Option Scheme 2008
“GLL”	GuocoLand Limited, a 65.0% owned subsidiary of the Company listed on SGX-ST
“GLL ESOS 2008”	the proposed GuocoLand Limited Executives’ Share Option Scheme 2008
“GL Scheme Trust”	a trust established between GL and the GL Scheme Trustee to acquire and hold existing GL shares for the purposes of the Existing GL Scheme

DEFINITIONS

“GLL Scheme Trust”	a trust established between GLL and the GLL Scheme Trustee to acquire and hold existing GLL shares for the purposes of the Existing GLL Scheme
“GL Scheme Trustee”	an independent trust company not connected with the GL Group, the Group, directors, chief executives or substantial shareholders of the Group and their respective associates (as defined under the Listing Rules)
“GLL Scheme Trustee”	an independent trust company not connected with the GLL Group, the Group, directors, chief executives or substantial shareholders of the Group and their respective associates (as defined under the Listing Rules)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	3 October 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information for the purpose of inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Relevant Territory”	Hong Kong or such other territory as the Directors may from time to time decide if the issued ordinary share capital of the Company is listed on a stock exchange in such territory
“Share(s)”	share(s) of par value US\$0.50 each in the capital of the Company
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of United States of America

LETTER FROM THE BOARD



國浩集團有限公司
Guoco Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 53)

Directors:

Quek Leng Chan (*Executive Chairman*)

Kwek Leng Hai (*President, CEO*)

Sat Pal Khattar**

Kwek Leng San*

Tan Lim Heng

James Eng, Jr.

Volker Stoeckel**

Ding Wai Chuen**

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 Director*

10 October 2008

To GGL Shareholders

Dear Sir or Madam,

**THE GUOCOLAND LIMITED EXECUTIVES' SHARE OPTION SCHEME 2008
THE GUOCOLEISURE LIMITED EXECUTIVES' SHARE OPTION SCHEME 2008
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

Introduction

The purpose of this circular is to provide you with the information in respect of resolutions to be proposed at the AGM for (i) the adoption of the GLL ESOS 2008 and the GL ESOS 2008, (ii) the granting of general mandates to the Directors to issue and repurchase Shares and (iii) the re-election of Directors, and other relevant information regarding the AGM.

The GLL ESOS 2008 and The GL ESOS 2008

The Existing GLL Scheme was approved by GLL shareholders in 1998 and further approved and amended by GGL shareholders in 1999 and 2004 respectively. The Existing GLL Scheme allows the grant of options over newly issued and/or existing GLL shares to eligible participants. Since the Existing GLL Scheme will expire on 31 December 2008, GLL is going to seek its shareholders' approval to adopt the GLL ESOS 2008 in place of the Existing GLL Scheme.

LETTER FROM THE BOARD

Pursuant to the provisions of the Existing GLL Scheme, the GLL Scheme Trust was established between GLL and the GLL Scheme Trustee to acquire and hold existing GLL shares for the purposes of the Existing GLL Scheme. The terms of the GLL Scheme Trust will be amended such that the GLL Scheme Trustee may, upon the adoption of the GLL ESOS 2008, also acquire and hold existing GLL shares for the purposes of satisfying the exercise of options to be granted under the GLL ESOS 2008. Notwithstanding the termination of the Existing GLL Scheme, the GLL Scheme Trustee will continue to hold existing GLL shares to satisfy the exercise of outstanding options under the Existing GLL Scheme which remain unexercised on termination.

The Existing GL SOP was approved by GL shareholders in 2001, which allows the grant of options over newly issued GL shares to eligible participants. The Existing GL SOP took effect before GL became a subsidiary of GGL in 2005. No option has ever been granted pursuant to the Existing GL SOP since GL has become a subsidiary of GGL. The board of directors of GL also approved the Existing GL Scheme in 2003, which allows the grant of options over existing GL shares to eligible participants. The Existing GL Scheme is not governed by Chapter 17 of the Listing Rules. GL is going to seek its shareholders' approval to adopt the GL ESOS 2008 in place of both the Existing GL SOP and the Existing GL Scheme.

Pursuant to the provisions of the Existing GL Scheme, the GL Scheme Trust was established between GL and the GL Scheme Trustee to acquire and hold existing GL shares for the purposes of the Existing GL Scheme. It is proposed that on the adoption of the GL ESOS 2008 and the termination of the Existing GL SOP and the Existing GL Scheme, a new scheme trust (the "New Scheme Trust") shall be established by GL and the GL Scheme Trustee for the purpose of the GL ESOS 2008. The GL Scheme Trustee will transfer such number of GL shares held in trust which are in excess of the number of GL shares that may be required to satisfy the exercise of the outstanding options under the Existing GL Scheme as at such time, to the New GL Scheme Trust for the purpose of the GL ESOS 2008. The GL Scheme Trust will terminate upon the full satisfaction or expiry of outstanding options granted under the Existing GL Scheme.

As GLL and GL are subsidiaries of GGL, the GLL ESOS 2008 and the GL ESOS 2008 should comply with Chapter 17 of the Listing Rules. The GLL ESOS 2008 and the GL ESOS 2008 are subject to the approvals of (i) GGL shareholders and (ii) GLL shareholders and GL shareholders respectively and will take effect from the date of such approvals (whichever is the later if they are not obtained in the same date).

An overview of the GLL ESOS 2008 and the GL ESOS 2008 is set out in Appendix I to this circular.

Draft copies of the GLL ESOS 2008 and the GL ESOS 2008 are available for inspection at the principal office of GGL in Hong Kong at 50th Floor, The Center, 99 Queen's Road Central, Hong Kong during normal business hours from 7 November 2008 up to and including 20 November 2008 and at the AGM.

LETTER FROM THE BOARD

General Mandates to Issue and Repurchase Shares

At the annual general meeting of the Company held on 23 November 2007, general mandates were given to the Directors to issue and repurchase Shares (collectively referred to as “Existing General Mandates”). The Existing General Mandates will lapse at the conclusion of the AGM. Accordingly, new general mandates to issue and to repurchase Shares of not more than 10% of the share capital of the Company in issue (“New General Mandates”) would be proposed to GGL shareholders at the AGM. Details of the proposed New General Mandates are set out in resolution nos. 7A, 7B and 7C of the notice of the AGM on pages 20 to 22 of this circular. With reference to the New General Mandates, the Directors wish to state that, as at the date hereof, they have no immediate plans to repurchase any existing Shares or to issue any new shares pursuant to the relevant mandates.

An explanatory statement required by the Listing Rules to be sent to GGL shareholders in connection with the proposed New General Mandate to repurchase Shares up to 10% of the share capital of the Company in issue is set out in Appendix II to this circular. The explanatory statement contains all information reasonably necessary to enable GGL shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM.

Re-election of Directors

In accordance with Bye-Law 99 and Code A.4.2 of Code of Corporate Governance Practices of the Company, Messrs Kwek Leng Hai, Kwek Leng San and Tan Lim Heng will retire from office by rotation at the AGM and, being eligible, offer themselves for re-election. Details of such Directors required to be disclosed under the Listing Rules are set out in Appendix III to this circular.

Recommendation

The Directors believe that the adoption of the GLL ESOS 2008 and the GL ESOS 2008, the granting of the New General Mandates and the re-election of the said Directors are in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend GGL shareholders to vote in favour of the relevant resolutions set out in the notice of the AGM on pages 20 to 22 of this circular.

AGM

A notice convening the AGM is set out on pages 20 to 22 of this circular.

No GGL shareholder is materially interested in the proposed resolutions to be considered at the AGM and therefore none of GGL shareholders shall abstain from voting in respect of such resolutions.

Pursuant to the Bye-Laws, 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 demanded. Details of the procedures by which GGL shareholders may demand a poll are set out in Appendix IV to this circular.

LETTER FROM THE BOARD

A proxy form for use at the AGM is enclosed. GGL shareholders are requested to complete the proxy form and return it to the principal office of the Company at 50th Floor, The Center, 99 Queen's Road Central, Hong Kong in accordance with the instructions printed on it not less than 48 hours before the time fixed for holding the meeting, whether or not they intend to be present at the meeting.

An announcement as to whether the GLL ESOS 2008 and the GL ESOS 2008 have been approved by GGL shareholders at the AGM will be made as soon as possible after the AGM in accordance with Rule 17.02(1)(a) of the Listing Rules.

Your attention is drawn to the information set out in Appendices I to IV to this circular.

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

APPENDIX I OVERVIEW OF THE GLL ESOS 2008 AND THE GL ESOS 2008

The GLL ESOS 2008 and the GL ESOS 2008 follow substantially the same provisions. The following is an overview of both schemes.

For the context under this section only:

“Company” refers to GLL and GL respectively;

“Committee” refers to a committee comprising directors of the Company for the time being duly authorised and appointed by the board of directors of the Company to administer the Scheme;

“Date of Grant” refers to the date on which an Option is granted pursuant to the Scheme, being the date of the letter of offer granting such Option;

“Group” refers to GLL Group and GL Group respectively;

“GL Group” refers to GL and its subsidiaries;

“GLL Group” refers to GLL and its subsidiaries;

“Employee(s)” refers to confirmed employee(s) of the Group, including executive director(s), who satisfy the eligibility criteria and have been selected by the Committee to participate in the Scheme;

“HKSE” refers to The Stock Exchange of Hong Kong Limited;

“HKSE Listing Rules” refers to the Rules Governing the Listing of Securities on HKSE, as may be amended or modified from time to time;

“Option” refers to the right to acquire Scheme Shares granted or to be granted pursuant to the Scheme and for the time being subsisting;

“Participant(s)” refers to the holder(s) of Option(s);

“Scheme” refers to the GLL ESOS 2008 and the GL ESOS 2008 respectively;

“Scheme Share(s)” refers to new Share(s) to be issued and/or existing Share(s) (including Trust Share(s) and Treasury Share(s) to be transferred, under the Scheme;

“SGX-ST” refers Singapore Exchange Securities Trading Limited;

“Share(s)” refers to ordinary share(s) in the issued share capital of GLL and ordinary share(s) in the issued share capital of GL respectively;

“Trust Shares” refers to Shares held by the GLL Scheme Trustee and the GL Scheme Trustee respectively for the transfer of existing Shares to the Participants in satisfaction of Options granted under the GLL ESOS 2008 and the GL ESOS 2008 respectively;

“Treasury Shares” refers to shares of the Company that were or are treated as having been acquired and held by the Company and have been held continuously by the Company since they were so acquired and have not been cancelled;

“S\$” refers to Singapore dollars, the lawful currency of the Republic of Singapore

1 Purposes

The purposes of the Scheme are as follows:

- 1.1 to align the long-term interests of selected confirmed Employees with those of the shareholders of the Company and to encourage such Employees to assume greater responsibility for the performance of the businesses that they manage;
- 1.2 to motivate Employees towards strategic business objectives;
- 1.3 to reward Employees with an equity stake in the success of the Group; and
- 1.4 to make the total compensation package more competitive in order to attract, retain and motivate high calibre executives.

2 Administration

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 of directors of the Company, 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

Employees who are at least twenty-one (21) years of age and who are not undischarged bankrupts shall be eligible to participate in the Scheme.

Non-executive directors of the Company, directors and employees of associated companies of the Company, directors and employees of GGL and its subsidiaries (excluding members of the Group), and the Company’s controlling shareholders or their associates (notwithstanding that they may meet the eligibility criteria) shall not participate in the Scheme.

4 Limits of the Scheme

The aggregate number of Shares over which the Committee may grant Options on any date, when added to the number of new Shares issued and issuable in respect of all Options granted under the Scheme (“**New Shares Aggregate**”), shall not exceed fifteen per cent. (15%) of the total number of issued Shares on the day preceding that date (or such other limit as may be prescribed or permitted by the SGX-ST from time to time) (“**SGX Listing Rules Limit**”), provided that for so long as the Company is a subsidiary of GGL and GGL is listed on the HKSE, (i) the New Shares Aggregate shall not exceed ten per cent. (10%) of the total number of issued Shares on the date that the Scheme is approved by the shareholders of

the Company in a general meeting or the shareholders of GGL in a general meeting, whichever is the later, or such other limit as may be prescribed or permitted by the HKSE from time to time (“**HKSE Listing Rules Limit**”), and (ii) subject always to the SGX Listing Rules Limit, the HKSE Listing Rules Limit may, upon the approval of the shareholders of GGL where required, be exceeded or increased through a refresher in accordance with the HKSE Listing Rules (as may be modified from time to time).

For so long as the Company remains as a subsidiary of GGL and GGL is listed on the HKSE, the limit on the number of new Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and, if any, other share option schemes of the Company governed under Chapter 17 of the HKSE Listing Rules shall not exceed thirty per cent. (30%) (or such other percentage as may be prescribed or permitted by the HKSE from time to time) of the total number of issued Shares from time to time.

5 Maximum Entitlement for Each Participant

The total number of new Shares issued and to be issued upon exercise of the Options granted to any Participant (including both exercised and outstanding Options) in any 12-month period shall not exceed one per cent. (1%) (or such other percentage as may be prescribed or permitted by the HKSE) of the total number of issued Shares immediately before such grant, unless approval shall have been obtained from the shareholders of GGL in a general meeting in accordance with the HKSE Listing Rules.

6 Grant of an Option

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

The Committee may 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, taking into account criteria such as the rank and length of service of the Employees, past performance, financial and performance targets and/or contributions criteria set, and the performance of the Company. The Committee may also in its absolute discretion determine and amend the conditions for granting an Option, which may include any financial and performance targets and/or contributions criteria applicable to such Option and the performance period during which such targets and/or criteria are to be satisfied and/or vesting schedule in relation to any Shares comprised in such Option.

7 Exercise Price of an Option

The exercise price for each Scheme Share on the exercise of an Option shall be a price equal to the 5-day weighted average market price of the Shares immediately prior to the relevant Date of Grant for which there was trading in the Shares.

8 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 Participant 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 first anniversary of the Date of Grant (for Employees who have been employed for more than one year) and (ii) the second anniversary of the Date of Grant (for Employees who have been employed for less than one year), and to end on a date not later than ten (10) years after the Date of Grant.

9 Delivery of Scheme Shares Upon Exercise of Option

Outstanding Options which have been exercised may be satisfied at the discretion of the Committee by:

- (a) the allotment and issue of new Shares; or
- (b) the transfer of existing Shares to the Participants (including the transfer of Trust Shares and, subject to applicable laws, the transfer of any Shares acquired by the Company pursuant to a share purchase mandate and/or held by the Company as Treasury Shares); or
- (c) a combination of both new Shares and existing Shares.

10 Ranking of and Rights Attaching to Scheme Shares

Shares acquired on exercise of Options shall be subject to the provisions of the memorandum and articles of association of the Company, and shall rank *pari passu* in all respects with the then existing issued Shares, save for any dividend or other distributions, the record date for which precedes the relevant date of acquisition.

11 Transferability of Options

An Option cannot otherwise be transferred or assigned, and is personal to the Participant.

12 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 Scheme is approved by the shareholders of the Company in a general meeting or the shareholders of GGL in a general meeting, whichever is the later.

13 Automatic Lapse of an Option

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 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.

14 Effect of Alterations to Capital

In the event of any capitalisation issue, rights issue, sub-division, consolidation, reduction or distribution of capital of the Company, (i) the exercise price for the Scheme Shares, class and/or number of Scheme Shares comprised in an Option to the extent unexercised and/or (ii) class and/or number of Scheme Shares over which additional Options may be granted to the Participants, shall be adjusted in such manner as the Committee may determine to be appropriate and upon the written confirmation of the auditors of the Company (acting only as experts and not as arbitrators) that in their opinion, such adjustment is fair and reasonable, except in relation to a capitalisation issue where no such certification shall be required.

15 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).

16 Termination

Subject to any relevant approvals which may be required, the Company by resolution in general meeting, the board of directors of the Company or the Committee may at any time terminate the Scheme and in such event no further Options will be offered under the Scheme.

17 Alteration of the Scheme

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

- a. no alteration shall alter materially and adversely the rights attaching to any Options granted prior to such alteration except with the approval of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than half in number of all the Scheme 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 the Company 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 the Company 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 HKSE Listing Rules.

18 Value of Options

The directors of GGL consider that it is not appropriate to state the value of all Options that can be granted under the Scheme, 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 of GGL 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 GGL shareholders.

GENERAL MANDATE TO REPURCHASE SHARES

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

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

On the Latest Practicable Date, 329,051,373 Shares were in issue and fully paid. Assuming that there are no changes (from the Latest Practicable Date to the date of the AGM) in the Company’s issued and fully paid share capital, the maximum number of Shares that may be repurchased by the Company pursuant to the Repurchase Mandate will be 32,905,137.

DIRECTORS AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of their associates (as defined under the Listing Rules) has a present intention, in the event that the Repurchase Mandate is approved by GGL shareholders, to sell Shares to the Company on the Stock Exchange.

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

DIRECTORS’ UNDERTAKING

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

EFFECT OF THE HONG KONG CODE ON TAKEOVERS AND MERGERS

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

Based on the Company's record as at the Latest Practicable Date, GuoLine Overseas Limited ("GOL") held a beneficial interest of approximately 66.81% of the issued share capital of the Company. In the event of the Directors exercising in full the powers to repurchase Shares pursuant to the Repurchase Mandate, assuming that no Share is sold by GOL, the shareholding of GOL in the Company would be increased to approximately 74.23%. The Directors are not aware of any general offer obligation which will arise under Rule 26 of the Takeovers Code as a result of any repurchase made under the Repurchase Mandate.

PUBLIC FLOAT

The Directors do not have a present intention to exercise the Repurchase Mandate to such extent, causing the public float of the securities of the Company to fall below 25%.

LISTING RULES FOR REPURCHASE OF SHARES**Shareholders' Approval**

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

Reasons for Repurchase

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

Source of Funds

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

APPENDIX II EXPLANATORY NOTES TO REPURCHASE MANDATE

On the basis of the consolidated financial position of the Company as at 30 June 2008 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position and gearing ratio of the Company and the number of Shares in issue, the Directors consider that there will not be a material impact on the working capital or the gearing position of the Company in the event that the proposed repurchases were to be carried out in full at any time during the proposed repurchase period. No repurchase would be made in circumstances that would have a material adverse impact on the working capital of the Company (as compared with the position disclosed in the latest published audited financial statements) unless the Directors consider that such repurchases were in the best interests of the Company.

SHARE REPURCHASE MADE BY THE COMPANY

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

GENERAL

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

Month	Price Per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2007		
October	119.80	104.00
November	122.60	99.00
December	113.00	94.90
2008		
January	103.20	85.50
February	94.00	88.30
March	89.50	70.00
April	85.80	75.60
May	90.90	83.70
June	88.70	77.50
July	84.00	77.00
August	83.80	80.70
September	83.00	64.30
October (up to the Latest Practicable Date)	65.10	63.80

APPENDIX III DETAILS OF PROPOSED DIRECTORS TO BE RE-ELECTED

As required by the Listing Rules, the following are the particulars of the two Directors proposed to be re-elected at the Annual General Meeting:

1. **Mr Kwek Leng Hai** (“Mr Kwek LH”), aged 55, is the President and CEO and has been an Executive Director since 1990. He qualified as a chartered accountant of the Institute of Chartered Accountants in England and Wales.

Mr Kwek LH is a director of the Group’s key subsidiaries and associated companies including GuocoLand Limited, GuocoLeisure Limited (formerly known as BIL International Limited), Camerlin Group Berhad and Hong Leong Bank Berhad. He also serves as the Chairman of Lam Soon (Hong Kong) Limited, a fellow subsidiary of the Company, listed on the Main Board of the Stock Exchange. He is a director and shareholder of Hong Leong Company (Malaysia) Berhad (“HLCM”), the ultimate holding company of the Company. Save as aforesaid, he did not hold any directorship in other listed public companies in the last three years prior to the Latest Practicable Date.

Mr Kwek LH is a brother of Mr Quek Leng Chan, the Executive Chairman and a controlling shareholder of the Company and Mr Kwek Leng San, a Non-executive Director of the Company. He is also a cousin of Mr Kwek Leng Kee, a deemed substantial shareholder of the Company. Save as aforesaid, he does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr Kwek LH has a personal interest of 3,800,775 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”).

Mr Kwek LH has executed a service contract with a wholly owned subsidiary of the Company since 2001. His salary package is based on the terms of such service contract with a fixed salary and discretionary bonus linked to the Group’s performance and his personal achievement, which will be determined by the Board Remuneration Committee of the Company. For the financial year ended 30 June 2008, total amount of his salary package was HK\$14,786,330. Mr Kwek LH is not appointed for a specific term and he is willing to be subject to the retirement by rotation provisions as set out in the Bye-Laws to comply with relevant provisions of the Code of Corporate Governance Practices. Mr Kwek LH will retire and being eligible, will offer himself for re-election at the AGM. The Director’s fee of HK\$220,000 payable to Mr Kwek LH for the financial year ended 30 June 2008 is subject to GGL shareholders’ approval at the AGM.

Save as disclosed above, there are no other matters concerning Mr Kwek LH that need to be brought to the attention of the GGL shareholders and there is no other information that needs to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

2. **Mr Kwek Leng San** (“Mr Kwek LS”), aged 53, has been a Non-executive Director since 1990. He graduated from University of London with a Bachelor of Science (Engineering) degree and also holds a Master of Science (Finance) degree from City University, London.

Mr Kwek LS is a director of HLCM. He also holds directorships in various public companies listed on Bursa Malaysia Securities Berhad (“Bursa”) namely Hong Leong Industries Berhad and Hume Industries (Malaysia) Berhad (as President & Chief Executive Officer), Malaysian Pacific Industries Berhad, Narra Industries Berhad, Southern Steel Berhad (as Chairman since 2003). He was the Group Managing Director of Camerlin Group Berhad, a 61.31% owned subsidiary of the Company and delisted from Bursa since 24 September 2008. He was a director of O.Y.L Industries Berhad up to October 2006. Save as aforesaid, he did not hold any directorship in other listed public companies in the last three years prior to the Latest Practicable Date.

Mr Kwek LS is a brother of Mr Quek Leng Chan, the Executive Chairman and a controlling shareholder of the Company, and Mr Kwek LH, the President and CEO of the Company. He is also a cousin of Mr Kwek Leng Kee, a deemed substantial shareholder of the Company. Save as aforesaid, he does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr Kwek LS had a personal interest of 209,120 shares of the Company within the meaning of Part XV of the SFO.

There is no service contract being executed between Mr Kwek LS and the Company. Mr Kwek LS is not appointed for a specific term but subject to retirement by rotation and re-election at the annual general meeting pursuant to the Bye-Laws. Mr Kwek LS will retire and being eligible, will offer himself for re-election at the AGM. The Director’s fee of HK\$220,000 payable to Mr Kwek LS for the financial year ended 30 June 2008 is subject to GGL shareholders’ approval at the AGM.

Save as disclosed above, there are no other matters concerning Mr Kwek LS that need to be brought to the attention of GGL shareholders and there is no other information that needs to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

3. **Mr Tan Lim Heng** (“Mr Tan”), aged 60, has been an Executive Director since 1996. He holds a Bachelor of Science first class honours degree in engineering from University of Surrey and a Master of Science degree in management from Massachusetts Institute of Technology.

Mr Tan is the Managing Director of Dao Heng Securities Limited and Dao Heng Commodities Limited, wholly owned subsidiaries of the Company. He is also a non-executive director of Lam Soon (Hong Kong) Limited (a fellow subsidiary of the Company, listed on the Main Board of the Stock Exchange) and Shanghai Land Holdings Limited (a company delisted from the Main Board of the Stock Exchange since 12 October 2005 and is currently in members’ voluntary liquidation). Save as aforesaid, he did not hold any directorship in other listed public companies in the past three years prior to the Latest Practicable Date.

Prior to joining the Company, Mr Tan had served in the Singapore Civil Service as a Colombo Plan Scholar 1975-1978 before coming to work in Hong Kong with a financial services company and a major U.S. bank. He had also previously worked in Geneva in 1974 with the United Nations Conference on Trade and Development. He has extensive experience in property investment, financial and investment management services.

Mr Tan is not related to any other Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr Tan had a personal interest of 566,230 shares of the Company within the meaning of Part XV of the SFO.

Mr Tan has executed a service contract with a wholly owned subsidiary of the Company since 1990. His salary package is based on the terms of such service contract with a fixed salary and a discretionary bonus linked to the Group’s performance and his personal achievement, which will be determined by the Board Remuneration Committee of the Company. For the financial year ended 30 June 2008, total amount of his salary package was HK\$5,606,458. Mr Tan is not appointed for a specific term but subject to retirement by rotation and re-election at the annual general meeting pursuant to the Bye-Laws. Mr Tan will retire and being eligible, will offer himself for re-election at the AGM. The Director’s fee of HK\$220,000 payable to Mr Tan for the financial year ended 30 June 2008 is subject to GGL shareholders’ approval at the AGM.

Save as disclosed above, there are no other matters concerning Mr Tan that need to be brought to the attention of GGL shareholders and there is no other information that needs to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

Pursuant to the Bye-Laws, 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 of the Company 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 of the Company 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 of the Company 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; or
- (v) by the Chairman of the meeting and/or any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing five (5) per cent. or more of the total voting rights of all the shareholders of the Company having the right to vote at the meeting pursuant to the rules of the stock exchange in the Relevant Territory.

NOTICE OF ANNUAL GENERAL MEETING



國浩集團有限公司

Guoco Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 53)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Guoco Group Limited (“the Company”) will be held at 50th Floor, The Center, 99 Queen’s Road Central, Hong Kong on Friday, 21 November 2008 at 10:30 a.m. for the following purposes:–

As Ordinary Business:

1. To lay before the meeting the audited Statement of Accounts together with the Reports of the Directors and Auditors thereon for the year ended 30 June 2008.
2. To declare a final dividend.
3. To fix the fees of the Directors for the year ended 30 June 2008 and to re-elect retiring Directors.
4. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

As Special Business:

5. To consider and, if thought fit, pass with or without amendments the following as an ordinary resolution:

“**THAT** the GuocoLand Limited Executives’ Share Option Scheme 2008 (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) be and is hereby approved.”

6. To consider and, if thought fit, pass with or without amendments the following as an ordinary resolution:

“**THAT** the GuocoLeisure Limited Executives’ Share Option Scheme 2008 (a copy of which has been produced to this meeting marked “B” and signed by the Chairman of this meeting for the purpose of identification) be and is hereby approved.”

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

A. “**THAT:**

- (a) subject to paragraph (b), the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to repurchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited, subject to and in accordance with all applicable laws and the Bye-Laws of the Company, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

(b) the aggregate nominal amount of shares of the Company to be repurchased by the Directors of the Company pursuant to the approval in paragraph (a) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution and the said approval shall be limited accordingly; and

(c) for the purposes of this resolution:

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

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable laws to be held; and

(iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meeting.”

B. “THAT:

(a) subject to paragraph (b), the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot and issue additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to:–

(i) a Rights Issue;

(ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company;

(iii) the exercise of any option under the Company’s share option schemes; or

(iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-Laws of the Company,

shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution and this approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purposes of this resolution:

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

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

“Right Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

- C. “**THAT** conditional upon the passing of resolution nos. 7A and 7B of the notice convening this meeting, the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot and issue shares pursuant to resolution no. 7B be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 7A, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution.”

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 10 October 2008

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 proxy form, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the principal place of business of the Company at 50th Floor, The Center, 99 Queen’s Road Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting (or adjourned meeting thereof), as the case may be. Completion and return of the proxy form will not preclude the shareholders from attending and voting at the meeting (or any adjourned meeting thereof) if the shareholders so wish.
3. The Register of Members of the Company will be closed from 18 November 2008 to 21 November 2008, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend and to attend and vote in the meeting convened by this notice, all share transfers accompanied by the requisite share certificates must be lodged with the Company’s Branch Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on 17 November 2008.