
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 your licensed securities dealer or other registered institution in securities, 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.

This circular, for which the directors of Guoco Group Limited collectively and individually accept full responsibility, 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, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim 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)

**NEW EXECUTIVE SHARE OPTION SCHEME OF
GUOCOLAND (MALAYSIA) BERHAD
AND
NOTICE OF SPECIAL GENERAL MEETING**

A letter from the Board is set out on pages 4 to 6 of this circular. A notice convening a special general meeting of Guoco Group Limited to be held at 50th Floor, The Center, 99 Queen's Road Central, Hong Kong at 3:00 p.m. on Friday, 25 November 2011 (or immediately after the conclusion or adjournment of the annual general meeting of the Company to be held at 2:30 p.m. on the same date) is set out on page 12 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, 3 November 2011

CONTENTS

| | <i>Page</i> |
|--|-------------|
| DEFINITIONS | 1 |
| LETTER FROM THE BOARD | 4 |
| APPENDIX — OVERVIEW OF THE NEW EXECUTIVE SHARE OPTION SCHEME OF GUOCOLAND (MALAYSIA) BERHAD | 7 |
| NOTICE OF SPECIAL GENERAL MEETING | 12 |

DEFINITIONS

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

| | |
|----------------------|---|
| “Assets Nominees” | Assets Nominees (Tempatan) Sdn Bhd, an indirect subsidiary of the Company’s substantial shareholder namely Hong Leong Company (Malaysia) Berhad |
| “Board” | the board of directors of the Company |
| “Bursa Securities” | Bursa Malaysia Securities Berhad |
| “Bye-Laws” | Bye-Laws of the New GLM ESOS |
| “Circular” | this circular issued by the Company to the GGL Shareholders dated 3 November 2011 for the New GLM ESOS |
| “Company” or “GGL” | Guoco Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the HK Stock Exchange |
| “Director(s)” | director(s) of the Company |
| “Eligible Executive” | any executive or director of GLM Group who is eligible to participate in the Scheme in accordance with the Bye-Laws |
| “Existing GLM ESOS” | the existing GLM Executive Share Option Scheme approved by the GLM Shareholders and established on 23 January 2006 with various amendments made to its Bye-Laws approved by the GGL Shareholders on 1 June 2007 for the purpose of compliance with Chapter 17 of the HK Listing Rules |
| “GGL Group” | the Company and its subsidiaries from time to time |
| “GGL Shareholder(s)” | holder(s) of shares of the Company |
| “GLM” | GuocoLand (Malaysia) Berhad, the Company’s sixty-five percent (65.0%) controlled indirect subsidiary whose shares are listed on Bursa Securities |
| “GLM Board” | the board of directors of GLM or board of directors of the relevant subsidiary of GLM (as the case may be, in respect of Eligible Executives in the said subsidiary only) or a duly authorised committee or an individual thereof |

DEFINITIONS

| | |
|---------------------------------|--|
| “GLM Group” | GLM and its subsidiaries from time to time |
| “GLM Share(s)” | ordinary share(s) of RM1.00 each in the capital of GLM |
| “GLM Shareholder(s)” | holder(s) of GLM Share(s) |
| “GLM VCIP” | the GLM Value Creation Incentive Plan established by GLM |
| “HK\$” | Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China |
| “HK Listing Rules” | the Rules Governing the Listing of Securities on the HK Stock Exchange |
| “HK Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Latest Practicable Date” | 31 October 2011, being the latest practicable date before the printing of this Circular for ascertaining certain information for the purpose of inclusion in this Circular |
| “Limit” | ten percent (10%) of the issued and paid-up ordinary share capital of GLM on the date that the Scheme is approved by GGL Shareholders |
| “Maximum Aggregate” | fifteen percent (15%) of the issued and paid-up ordinary share capital (excluding treasury shares) of GLM from time to time |
| “Malaysia Listing Requirements” | Listing Requirements of Bursa Securities, as amended from time to time |
| “New GLM ESOS” or “Scheme” | the new GLM Executive Share Option Scheme approved by the GLM Shareholders on 11 October 2011 |
| “Notice of SGM” | the notice convening the SGM |
| “Offer” | an offer made in writing by a member of the GLM Group to an Eligible Executive to participate in the Scheme |
| “Option Holder” | an Eligible Executive who is the holder of a valid option certificate or letter for an option issued by a member of the GLM Group in relation to an accepted Offer |
| “RM” | Ringgit Malaysia, the lawful currency of Malaysia |
| “Scheme Share(s)” | GLM Share(s) to be issued or transferred under the New GLM ESOS |

DEFINITIONS

| | |
|------------------------------------|---|
| “Trust” | the trust constituted by the Trust Deed |
| “Trust Deed” | the trust deed dated 23 January 2006 constituting the Trust entered into between GLM and Assets Nominees |
| “Special General Meeting” or “SGM” | the Special General Meeting of the Company to be held at 50th Floor, The Center, 99 Queen’s Road Central, Hong Kong at 3:00 p.m. on Friday, 25 November 2011 (or immediately after the conclusion or adjournment of the annual general meeting of the Company to be held at 2:30 p.m. on the same date) |

For reference only, the exchange rate of RM: HK\$ as referred to in this Circular is RM1: HK\$2.5493 as at the Latest Practicable Date.



國浩集團有限公司

Guoco Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 53)

Executive Directors:

Quek Leng Chan (*Executive Chairman*)

Kwek Leng Hai (*President, CEO*)

Tan Lim Heng

Ding Wai Chuen

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Non-executive Director:

Kwek Leng San

Principal office:

50th Floor, The Center

99 Queen's Road Central

Hong Kong

Independent Non-executive Directors:

Sat Pal Khattar

Volker Stoeckel

Roderic N. A. Sage

3 November 2011

To the GGL Shareholders

Dear Sir or Madam,

**NEW EXECUTIVE SHARE OPTION SCHEME OF
GUOCOLAND (MALAYSIA) BERHAD
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The purpose of this Circular is to provide the GGL Shareholders with the relevant information pertaining to the New GLM ESOS.

THE NEW GLM ESOS

GLM has in place the Existing GLM ESOS. Pursuant to the Malaysia Listing Requirements, unexercised options under the Existing GLM ESOS shall be deemed terminated upon expiry of the Existing GLM ESOS in four (4) years' time. At GLM's extraordinary general meeting held on 11 October 2011, GLM Shareholders had approved the adoption of the New GLM ESOS and the termination of the Existing GLM ESOS. By adopting the New GLM ESOS and terminating the Existing GLM ESOS, GLM is able to have a fresh duration of ten (10) years to implement the Scheme. The longer duration of the

LETTER FROM THE BOARD

Scheme will facilitate the implementation of option plans, taking into account, among others, the performance period that may be required for achieving the prescribed financial and performance targets.

Pursuant to the New GLM ESOS, the exercise of options by Eligible Executives could be satisfied through the issue of new GLM Shares and/or the transfer of existing GLM Shares. The effective date of the New GLM ESOS will be determined by the board of directors of GLM as soon as practical after the date of full compliance with all the relevant requirements under the Malaysia Listing Requirements and upon obtaining GGL Shareholders' approval. The Existing GLM ESOS will be terminated on the effective date of the New GLM ESOS. No option has been granted under the Existing GLM ESOS since its implementation.

The New GLM ESOS provides an opportunity for the Eligible Executives to participate in the equity of GLM and in this way aligning their long term interests with those of the GLM Shareholders. The Bye-Laws of the New GLM ESOS provide that the GLM Board may at its absolute discretion determine, subject to the Malaysia Listing Requirements and HK Listing Rules, the eligibility of the participants, the number of shares to be comprised in the options, the exercise period (including, if applicable the minimum holding period), performance target and duration of performance period as well as the number of GLM Shares comprised in an earned option at the end of the performance period based on the achievement of the prescribed financial and performance target. The Board believes that the aforesaid criteria and rules would serve to achieve the purposes of the Scheme.

An overview of the New GLM ESOS is set out on pages 7 to 11 of this Circular.

FINANCES FOR SHARE PURCHASE FOR THE NEW GLM ESOS AND OTHER SCHEME

Pursuant to the Trust Deed between GLM and Assets Nominees, the Trust has been established and Assets Nominees, acting as trustee for the Existing GLM ESOS, had acquired GLM Shares for the purpose of the Existing GLM ESOS. Finances amounted to approximately RM23.9 million (approximately HK\$60.9 million) were provided by the GLM Group for the acquisition of the GLM Shares pursuant to the Trust Deed. Provisions of finances by the GLM Group to the Trust from time to time constitute continuing connected transactions for Guoco under Chapter 14A of the HK Listing Rules, details of which were disclosed in the announcement of GGL dated 30 June 2009. As at the Latest Practicable Date, Assets Nominees holds 30,578,100 GLM Shares under the Trust. GLM has not offered any options pursuant to the Existing GLM ESOS. GLM also has the GLM VCIP in place for selected key executives of the GLM Group to incentivise them towards achieving long term performance targets, which options are satisfied through the transfer of existing GLM Shares.

It is intended that the Trust will be terminated on the effective date of the New GLM ESOS. A new trust will be established by GLM for the purposes of satisfying the exercise of options granted or to be granted under the GLM VCIP and the New GLM ESOS. All existing GLM Shares under the Trust will be transferred to the new trust to be held by

LETTER FROM THE BOARD

Assets Nominees in trust for the New GLM ESOS and the GLM VCIP. The provisions of finances by the GLM Group to the new trust will continue to be subject to the same cap of RM83 million (approximately HK\$211.6 million) at any time during the three financial years ending 30 June 2012. Such finances are expected to be repaid from the exercise price to be paid by the Option Holders upon the exercise of the options.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Bye-Laws is 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 from 11 November 2011 up to and including 24 November 2011 and at the SGM.

RECOMMENDATION

The Board believes that the adoption of the New GLM ESOS in compliance with Chapter 17 of the HK Listing Rules is in the interests of the Company and GGL Shareholders as a whole. Accordingly, the Board recommends GGL Shareholders to vote in favour of the relevant ordinary resolution set out in the Notice of SGM on page 12 of this Circular.

SGM

Set out on page 12 of this Circular is the Notice of SGM to be held at 50th Floor, The Center, 99 Queen's Road Central, Hong Kong at 3:00 p.m. on Friday, 25 November 2011 (or immediately after the conclusion or adjournment of the annual general meeting of the Company to be held at 2:30 p.m. on the same date) at which an ordinary resolution will be proposed to approve the New GLM ESOS. No GGL Shareholder is materially interested in the proposed resolution on the New GLM ESOS to be considered at the SGM and therefore none of GGL Shareholders shall abstain from voting in respect of such resolution.

An announcement as to whether the New GLM ESOS has been approved by GGL Shareholders at the SGM will be made as soon as possible after the SGM.

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

The following is an overview of the New GLM ESOS:

1 Purposes

The purposes of the Scheme are as follows:

- (i) to align the long term interests of Eligible Executives with those of the shareholders of GLM and encourage Eligible Executives to assume greater responsibility for the performance of the businesses that they manage;
- (ii) to motivate Eligible Executives towards strategic business objectives;
- (iii) to reward Eligible Executives with an equity stake in the success of GLM Group; and
- (iv) 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 GLM Board in such manner as it shall at its discretion deem fit.

3 Eligible Executives

A person who must be at least eighteen (18) years of age and:

- (i) be an executive of a member of the GLM Group and has been confirmed in service; or
- (ii) be a director of a member of the GLM Group.

The GLM Board may at its absolute discretion select and identify suitable Eligible Executives to be offered options.

4 Limits of the Scheme

The total number of the GLM Shares comprised in (i) exercised options, (ii) unexercised options, (iii) unexpired offers pending acceptance by all the Eligible Executives and (iv) exercised options, unexercised options and unexpired offers pending acceptance under any other executive share option schemes established by GLM which are still subsisting shall not exceed the Maximum Aggregate provided that for so long as GLM is a subsidiary of the Company and the Company is listed on the HK Stock Exchange but subject always to the Maximum Aggregate, the total number of new GLM Shares which may be issued upon exercise of options to be granted under the Scheme must not in aggregate exceed the Limit. Subject to the Maximum

Aggregate, the Limit may be exceeded or refreshed in accordance with the provisions of the HK Listing Rules and subject to the approval of GGL Shareholders, where required.

For so long as GLM remains as a subsidiary of the Company and the Company is listed on the HK Stock Exchange, the limit on the number of new GLM Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of GLM must not exceed thirty percent (30%) of the GLM Shares in issue from time to time.

5 Maximum Entitlement for Each Eligible Executive

No option may be granted to any Eligible Executive in any 12-month period that would enable such Eligible Executive becoming entitled to subscribe for new GLM Shares exceeding one percent (1%) in nominal value of the issued and paid-up ordinary share capital of GLM. Where any further grant of options to such Eligible Executive would result in such Eligible Executive becoming entitled to subscribe for new GLM Shares exceeding one percent (1%) in nominal value of the issued and paid-up ordinary share capital of GLM, such further grant must be separately approved by GGL Shareholders in accordance with the provisions of the HK Listing Rules.

6 Exercise Period of an Option under the Scheme

An option granted under the Scheme shall be exercisable by the Option Holder only during his employment or directorship with the GLM Group and during such option period as determined by the GLM Board (which may include a minimum period that an option must be held before it can be exercised, if any). The option period shall be within the duration of the Scheme which shall not be more than ten (10) years from the effective date for the implementation of the Scheme. Upon early termination of the Scheme prior to the expiry of the duration of the Scheme, any option remains unexercised shall deem to be terminated.

7 Grant of Options

The GLM Board may, in its discretion, grant such options under the Scheme that is exercisable by the Option Holder following the fulfilment of the prescribed financial and performance targets or criteria (if any) within such period as may be determined by the GLM Board.

The grant of an option under the Scheme to an Eligible Executive shall be accepted by the Eligible Executive within thirty (30) days from such day of grant (or such longer period of time as may be permitted by the GLM Board at its discretion) by signing and returning the acceptance form, accompanied by a payment of RM1.00 as consideration.

8 Exercise Price of an Option under the Scheme

The GLM Board may at its discretion determine the exercise price for each Scheme Share provided that such exercise price so fixed shall not be at a discount of more than ten percent (10%) (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the GLM Shares preceding the date of Offer and shall in no event be less than the par value of the GLM Shares.

9 Ranking of and Rights Attaching to Scheme Shares

In the event that any new GLM Shares are to be allotted upon the exercise of an option under the Scheme, they shall, upon issue and allotment, rank *pari passu* in all respects with the existing issued and paid-up ordinary share capital of GLM, except that they will not rank for any dividend, right, entitlement or distribution, in respect of which record date precedes the allotment date of the new GLM Shares and will be subject to all the provisions of the articles of association of GLM relating to transfer, transmission and otherwise.

In the event that any existing GLM Shares are to be transferred upon the exercise of an option, the existing GLM Shares shall be transferred together with all dividends, rights, entitlements and distributions, in respect of which record date is on or after the transfer date.

10 Transferability of Options

An option granted under the Scheme cannot otherwise be transferred or assigned, and is personal to the Eligible Executive.

11 Duration of the Scheme

The Scheme shall be in force for a period of ten (10) years commencing from the effective date for the implementation of the Scheme, which shall be a date to be determined by the board of directors of GLM as soon as practical after the date of full compliance with all the relevant requirements under the Malaysia Listing Requirements and upon obtaining of GGL Shareholders' approval.

12 Automatic Lapse of Options

An option granted under the Scheme shall, to the extent unexercised, immediately lapse upon (i) the expiry of the relevant exercise period; or (ii) on the date on which the Option Holder ceases to be an employee of any member of the GLM Group; or (iii) on the date on which the Option Holder dies before exercising the option, unless otherwise decided by the GLM Board.

13 Effect of Alterations to Capital

In the event of any capitalisation issue, rights issue, bonus issue, sub-division, consolidation or reduction of capital of GLM while any option under the Scheme remains exercisable, adjustments (if any) may be made to the number of GLM Shares relating to such option or any portion thereof which is unexercised, the number of

GLM Shares comprised in an Offer of such option or the exercise price of such option, as determined by the GLM Board to be in its opinion appropriate. Any adjustments must give a participant the same proportion of the equity capital as that to which that person was previously entitled, but no such adjustments may be made to the extent that a share would be issued at less than its nominal value. Other than on a bonus issue, such adjustments must be confirmed in writing by the external auditors or the principal adviser of GLM who will be independent from GLM for compliance with Note to Rule 17.03(13) of the HK Listing Rules.

14 Cancellation of Options

In the event that GLM cancels options to subscribe for new GLM Shares and grants new options to the same option holder to subscribe for new GLM Shares, the grant of such new options must be within the Limit (excluding the cancelled options).

15 Termination

The Scheme may be terminated by GLM prior to the expiry of its duration subject to the approval of GLM Shareholders in general meeting and the written consent of all holders holding unexercised options granted under the Scheme.

Upon termination of the Scheme, no further options will be offered by the member of the GLM Group and all Offers outstanding but not yet accepted by the Eligible Executive and the options as yet unexercised or partially exercised shall be deemed to be terminated subject always to compliance with Bursa Securities and any other authorities' guidelines or directives as imposed from time to time.

16 Alteration of the Scheme

The terms of the Scheme may be altered in any respect by approval of the GLM Board except that:

- (i) no alteration shall alter adversely the rights attaching to any options granted under the Scheme prior to such alteration except with the approval by a simple majority of the Option Holders present at a meeting call for this purpose;
- (ii) the provisions shall not be altered to the advantage of Eligible Executives, except with the prior sanction of GLM Shareholders in general meeting;
- (iii) no alteration shall be made without the prior approval of Bursa Securities and such other relevant authorities as may be necessary; and
- (iv) so long as GLM remains a subsidiary of GGL and the shares of GGL remain listed on the HK 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 HK Listing Rules.

17 Value of Options

The Board considers that it is not appropriate to state the value of all options that can be granted under the New GLM 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 GLM 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 Board believes 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.

NOTICE OF SPECIAL 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 a special general meeting of Guoco Group Limited (the “Company”) will be held at 50th Floor, The Center, 99 Queen’s Road Central, Hong Kong at 3:00 p.m. on Friday, 25 November 2011 (or immediately after the conclusion or adjournment of the annual general meeting of the Company to be held at 2:30 p.m. on the same date) for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT** the Executive Share Option Scheme of GuocoLand (Malaysia) Berhad (a copy of its Bye-Laws 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.”

By Order of the Board
Stella Lo Sze Man
Company Secretary

Hong Kong, 3 November 2011

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 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 shareholders so wish.
3. The Register of Members of the Company will be closed from Wednesday, 23 November 2011 to Friday, 25 November 2011 (both days inclusive), during which period no transfers of shares will be registered. To determine the entitlement to attend and vote at the special general meeting of the Company, all transfer document, accompanied by the relevant share certificates, must be lodged with the Company’s Branch Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 22 November 2011.