



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

Guoco Group Limited

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

**EXTENSION OF TIME FOR
THE DESPATCH OF CIRCULAR**

and

ADDITIONAL INFORMATION ON THE OFFER

The Board has decided to increase the price range for the Shares to be repurchased under the Offer to between HK\$50.00 and HK\$55.00 in cash per Share. The Circular, encompassing the notice of the SGM and the offer document in relation to the Offer, the Whitewash Waiver and the Creeper Authorisation, will be despatched to the Shareholders on 29 October 2001.

The Shares were suspended from trading on the Stock Exchange at 10:00 am on 23 October 2001 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 10:00 am on 24 October 2001.

Shareholders and potential investors are reminded that the Offer is subject to a number of Conditions being fulfilled and therefore may or may not become unconditional. Provided that all the Conditions are fulfilled, the Offer is expected to become unconditional on 14 November 2001. Details of the Conditions are set out in the Circular. The Offer will lapse if it does not become unconditional on or before 28 December 2001 (or such later date as the Company may determine).

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Shareholders should read the Circular carefully before taking any action in relation to the Offer. If any Shareholder is in any doubt, he should consult professional advisers.

Reference is made to the announcements dated 8 September 2001, 14 September 2001 and 16 October 2001 (together, the "Announcement") by Guoco Group Limited (the "Company") in respect of the Offer.

Terms defined in the Announcement have the same meaning when used in this announcement, unless the context requires otherwise.

INCREASE OF THE PRICE RANGE

In light of the public's response to the Offer after the Announcement, the board of directors of the Company (the "Board") has decided to increase the price range for the Shares to be repurchased under the Offer from between HK\$46.00 and HK\$51.00 in cash per Share to between HK\$50.00 and HK\$55.00 in cash per Share.

EXTENSION OF TIME FOR THE DESPATCH OF CIRCULAR

As a result of the Board's decision to increase the Range, the Circular has to be revised accordingly and an extension of time has been sought from the Executive for the despatch of the Circular to ensure that appropriate changes are reflected in the Circular. The revised timetable for the Offer is set out below.

The Circular, together with the proxy form for the SGM to be held on 14 November 2001, will be despatched to the Shareholders on 29 October 2001. A Tender Form will also be despatched to each Qualifying Shareholder along with the Circular.

EXPECTED TIMETABLE

The expected timetable for the Offer set out below is indicative only and subject to change. All references to time are to Hong Kong time.

Last day of dealings in Shares cum-rights (<i>Note 1</i>)	Tuesday, 9 October 2001
First day of dealings in Shares ex-rights (<i>Note 1</i>)	Wednesday, 10 October 2001
Latest time to lodge transfers of Shares in order to qualify for the Offer (<i>Note 1</i>)	4:00 pm on Thursday, 11 October 2001
Closure of the Register	Friday, 12 October 2001 to Tuesday, 16 October 2001
Record Date	Tuesday, 16 October 2001
Despatch of the Circular	Monday, 29 October 2001
Offer period begins	Monday, 29 October 2001
Latest time for requesting splitting of Tender Forms	4:00 pm, Friday, 9 November 2001
Latest time for lodging form of proxy for the SGM	10:00 am, Monday, 12 November 2001
SGM	10:00 am, Wednesday, 14 November 2001
Announcement in newspapers of the results of the SGM and whether the Offer has become unconditional	Thursday, 15 November 2001
Latest time for submission of Tenders (i.e. close of the Offer) (<i>Note 2</i>)	4:00 pm on Monday, 26 November 2001
Announcement in newspapers of results of the Offer and the Strike Price (<i>Note 2</i>)	Wednesday, 28 November 2001
Despatch of cheques to Accepting Shareholders for amounts due in respect of successful Tenders and (as far as practicable) return of share certificates for wholly or partly unsuccessful Tenders (<i>Note 2</i>)	on or before Saturday, 1 December 2001
Return of remaining share certificates (if any) for wholly or partly unsuccessful Tenders (<i>Note 2</i>)	Wednesday, 5 December 2001

Notes:

1. In respect of transfers to purchasers who are not existing Shareholders only, as Qualifying Shareholders can acquire more Shares after the Record Date and tender such Shares for the Offer.

2. Assuming that the Offer is approved by the Independent Shareholders and becomes unconditional on 14 November 2001.

The Company will issue a further announcement if any change is made to the expected timetable set out above.

CLOSURE OF REGISTER OF MEMBERS

Notwithstanding the delay to the original timetable, the Register was closed from 12 October 2001 to 16 October 2001, both days inclusive, for the purpose of establishing entitlement to participate in the Offer. During that period, no Share transfers were registered.

In order to qualify for the Offer, all duly completed transfers of Shares to purchasers who are not existing Shareholders (accompanied by the relevant share certificates) must have been lodged with the Registrar, Central Registration Hong Kong Limited at 19th Floor, Hopewell Center, 183 Queen's Road East, Hong Kong not later than 4:00 pm on Thursday, 11 October 2001. The last day of dealings in Shares on a cum-rights basis for new Shareholders was 9 October 2001.

DESPATCH OF CIRCULAR

The Circular, together with the proxy form for the SGM to be held on 14 November 2001, will be despatched to the Shareholders on 29 October 2001. A Tender Form will also be despatched to each Qualifying Shareholder along with the Circular.

SUSPENSION OF TRADING

At the request of the Company, the Shares were suspended from trading on the Stock Exchange at 10:00 am on 23 October 2001 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 10:00 am on 24 October 2001.

CONDITIONS OF THE OFFER

Shareholders and potential investors are reminded that the Offer is subject to a number of Conditions being fulfilled and therefore may or may not become unconditional. Provided that all the Conditions are fulfilled, the Offer is expected to become unconditional on 14 November 2001. Details of the Conditions are set out in the Circular. The Offer will lapse if it does not become unconditional on or before 28 December 2001 (or such later date as the Company may determine).

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

GENERAL

Shareholders should read the Circular carefully before taking any action in relation to the Offer. If any Shareholder is in any doubt, he should consult professional advisers.

By Order of the Board
James Eng, Jr.
Director

Hong Kong, 23 October 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.