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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold** all your shares in New World China Land Limited, you should at once hand this circular to the purchaser or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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**New World China Land Limited**

**新世界中國地產有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code : 00917)**

**NOTICE OF ANNUAL GENERAL MEETING**

**RE-ELECTION OF THE RETIRING DIRECTORS**

**GENERAL MANDATE TO ISSUE SHARES AND TO REPURCHASE SHARES**

**AND**

**AMENDMENT TO THE ARTICLES OF ASSOCIATION**

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A notice convening the 2005 annual general meeting of New World China Land Limited to be held at Room 201B (New Wing), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Tuesday, 29th November, 2005 at 10:00 a.m. is set out on pages 5 to 8 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Standard Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

28th October, 2005

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## DEFINITIONS

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

|                           |                                                                                                                                                                                                               |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "AGM"                     | the annual general meeting of the Company convened to be held on Tuesday, 29th November, 2005 at 10:00 a.m.                                                                                                   |
| "Articles"                | the articles of association of the Company                                                                                                                                                                    |
| "Associates"              | has the meaning subscribed thereto in the Listing Rules                                                                                                                                                       |
| "Company"                 | New World China Land Limited, a company incorporated in the Cayman Islands and listed on the Stock Exchange                                                                                                   |
| "Directors"               | the directors of the Company                                                                                                                                                                                  |
| "General Mandate"         | a general mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares in the manner as set out in resolution no. 5(1) in the notice of the AGM |
| "Hong Kong"               | The Hong Kong Special Administrative Region of the People's Republic of China                                                                                                                                 |
| "Latest Practicable Date" | 24th October, 2005, being the latest practicable date before the printing of this circular for ascertaining certain information contained in this circular                                                    |
| "Listing Rules"           | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                                           |
| "NWD"                     | New World Development Company Limited, the Company's holding company, the shares of which are listed on the Stock Exchange                                                                                    |
| "Repurchase Mandate"      | a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares in the manner as set out in resolution no. 5(2) in the notice of the AGM             |
| "Share(s)"                | share(s) of HK\$0.10 each in the capital of the Company                                                                                                                                                       |
| "Shareholder(s)"          | shareholder(s) of the Company                                                                                                                                                                                 |
| "Stock Exchange"          | the Stock Exchange of Hong Kong Limited                                                                                                                                                                       |
| "Takeovers Code"          | the Hong Kong Code on Takeovers and Mergers                                                                                                                                                                   |
| "HK\$"                    | Hong Kong dollars, the lawful currency of Hong Kong                                                                                                                                                           |
| "%"                       | per cent                                                                                                                                                                                                      |



New World China Land Limited

新世界中國地產有限公司

(Incorporated in the Cayman Islands with limited liability)

*Executive Directors:*

CHENG Kar-shun, Henry  
(Chairman and Managing Director)  
DOO Wai-hoi, William (Vice-Chairman)  
CHENG Kar-shing, Peter  
LEUNG Chi-kin, Stewart  
CHOW Kwai-cheung  
CHOW Yu-chun, Alexander  
FONG Shing-kwong, Michael

*Non-executive Directors:*

CHENG Wai-chee, Christopher\*  
TIEN Pei-chun, James\*  
LEE Luen-wai, John\*  
FU Sze-shing

\* Independent Non-executive Directors

*Registered office:*

P.O. Box 309  
Ugland House  
South Church Street  
George Town  
Grand Cayman  
Cayman Islands  
British West Indies

*Principal place of business  
in Hong Kong:*

9/F., New World Tower 1  
18 Queen's Road Central  
Hong Kong

28th October, 2005

To the Shareholders  
and for information only, the option holders

Dear Sir/Madam,

**NOTICE OF ANNUAL GENERAL MEETING  
RE-ELECTION OF THE RETIRING DIRECTORS  
GENERAL MANDATE TO ISSUE SHARES AND TO REPURCHASE SHARES  
AND  
AMENDMENT TO THE ARTICLES OF ASSOCIATION**

**INTRODUCTION**

The propose of this circular is to provide you with information regarding the resolutions to be proposed at the forthcoming AGM in relation to (i) the re-election of the retiring directors; (ii) granting of the General Mandate, the Repurchase Mandate, extension of the General Mandate; and (iii) amendment to the Articles. A notice of the AGM is set out in Appendix I to this circular.

**RE-ELECTION OF THE RETIRING DIRECTORS**

In accordance with the existing Article 99 of the Articles, the Directors have the power at any time and from time to time to appoint any person as a Director, either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election

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## LETTER FROM THE CHAIRMAN AND MANAGING DIRECTOR

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at that meeting. Accordingly, Mr. Lee Luen-wai, John, who was appointed as a Director by the Board on 7th December 2004, will retire at the AGM and being eligible, will offer himself for re-election.

Furthermore, in accordance with Article 116 of the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not exceeding, one-third, shall retire from office by rotation subject to the provision that every Director shall be subject to retirement by rotation at least once every three years. In this connection, Dr. Cheng Kar-shun, Henry, Messrs. Doo Wai-hoi, William, Leung Chi-kin, Stewart, Chow Yu-chun, Alexander, Fu Sze-shing and Tien Pei-chun, James will retire at the AGM and being eligible, will offer themselves for re-election.

Information required to be disclosed under the Listing Rules in relation to the retiring Directors is set out in Appendix II to this circular.

### **GENERAL MANDATE AND REPURCHASE MANDATE**

At the last annual general meeting of the Company held on 6th December 2004, the Directors were granted general mandates to issue Shares and to repurchase Shares. Each of such mandates will expire at the conclusion of the forthcoming AGM and the Directors would like to seek your approval to renew each of the mandates.

An ordinary resolution set out as resolution no. 5(1) in the notice of the AGM will be proposed at the AGM to grant General Mandate to the Directors to allot and issue new Shares up to an amount not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution. Such General Mandate will be extended by a separate resolution set out as resolution no. 5(3) in the notice of the AGM by adding to the aggregate nominal amount of the Shares to be issued and allotted pursuant to the General Mandate the nominal amount of the Shares repurchased by the Company pursuant to the Repurchase Mandate. The granting of the General Mandate will provide for flexibility to the Directors to issue Shares when it is in the interest of the Company.

At the AGM, another ordinary resolution set out as resolution no. 5(2) in the notice of the AGM will be proposed to the Shareholders that the Directors be given a Repurchase Mandate to repurchase Shares up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution. An explanatory statement as required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in Appendix III to this circular.

### **AMENDMENT TO THE ARTICLES**

In view of the amendments to the Listing Rules in relation to the Code on Corporate Governance Practice (the "**Code**") effective on 1st January 2005, the Directors propose to amend the Articles to ensure compliance with the Code. In this respect, the Directors propose to add a provision in Article 80 of the Articles to the effect that at any general meeting where resolutions are put to vote by the Shareholders, poll may be demanded by the Directors who individually or collectively (with the Chairman of the relevant Shareholders' meeting) hold proxies in respect of Shares representing 5% or more of the total voting rights at that meeting, and if on a show of hands, such meeting votes in the opposite manner to that instructed in those proxies.

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## LETTER FROM THE CHAIRMAN AND MANAGING DIRECTOR

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The Directors also propose to amend Articles 99 and 119 of the Articles to specify that any Director who is appointed by the Board or by the Shareholders to fill a casual vacancy or as an addition to the Board is subject to re-election by the Shareholders at the first general meeting of the Company after such Director's appointment, instead of the next following annual general meeting of the Company as currently provided in the Articles. Full text of the special resolution is set out as resolution no. 6 in the notice of the AGM.

### **PROCEDURES BY WHICH A POLL MAY BE DEMANDED**

Pursuant to the existing Article 80 of the Articles, a resolution put to the vote of the meeting shall be decided on show of hands unless (before or on the declaration of the result of the show of hands) a poll is duly demanded by (a) the Chairman of the meeting; or (b) at least five Shareholders present in person or by proxy and entitled to vote; or (c) any Shareholder or Shareholders present in person (or in the case of a corporation, by its duly authorized representative) or by proxy and representing in aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or (d) any Shareholder or Shareholders present in person (or in the case of a corporation, by its duly authorized representative) or by proxy and holding Shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

### **PROXY**

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Standard Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The completion and return of the form of proxy will not prevent you from attending and voting in person at the AGM or any adjourned meeting should you so desire.

### **RECOMMENDATION**

The Directors believe that the re-election of the retiring Directors, granting of the General Mandate, the Repurchase Mandate and amendment to the Articles are all in the best interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of all the ordinary resolutions and the special resolution as set out in the notice of the AGM.

Your attention is drawn to additional information as set out in the Appendices.

Yours faithfully,  
**Cheng Kar-shun, Henry**  
*Chairman and Managing Director*

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting of the shareholders of the Company will be held at Room 201B (New Wing), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Tuesday, 29th November, 2005 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the Reports of the Directors and Auditors for the year ended 30th June 2005.
2. To declare a final dividend.
3. To re-elect the retiring Directors and to fix Directors' remuneration.
4. To appoint Auditors and to fix their remuneration.
5. As special business to consider, and if thought fit, pass with or without modifications, the following resolutions as ordinary resolutions:-

(1) "THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) 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 would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) 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) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) 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 Articles of Association of the Company; or (iii) the exercise of any options under any share option scheme of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and
- (d) 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 applicable law or the articles of association of the Company to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights 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 legal or practical problems or restrictions under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

(2) “THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and which is recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with Cayman Islands law and all applicable laws and/or the Rules Governing the Listing of Securities on the Stock Exchange or the rules of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares to be repurchased by the Directors of the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the authority pursuant to paragraph (a) of this resolution 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 applicable law or the articles of association of the Company to be held; and



(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

(3) “THAT:

conditional upon the passing of Ordinary Resolutions Nos. (1) and (2) as set out in the notice convening this meeting, the general unconditional mandate granted to the Directors of the Company pursuant to Ordinary Resolution No. (1) as set out in the notice convening this meeting be extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the shares repurchased by the Company pursuant to the authority to repurchase shares granted pursuant to Ordinary Resolution No. (2) as set out in the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent of the aggregate nominal value of the share capital of the Company in issue as at the date of this resolution.”

6. As special business to consider, and if thought fit, pass with or without modifications, the following resolution as a special resolution:

“**THAT** the Articles of Association of the Company be amended as follows:

(1) By inserting the following new article as Article 80(b):

“(b) any of the Directors who individually or collectively (with the Chairman of the meeting) hold proxies in respect of shares representing five per cent. or more of the total voting rights at the meeting, where on a show of hands such meeting votes in the opposite manner to that instructed by the grantors of those proxies; or”

(2) By renumbering the existing Articles 80(b), 80(c) and 80(d) as new Articles 80(c), 80(d) and 80(e) respectively.

(3) By deleting Article 99 and replacing it with the following:

“99. The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting provided that any Director who so retires shall not be taken into account in determining the number of Directors who are to retire at an annual general meeting by rotation pursuant to Article 116.”

(4) By deleting Article 119 and replacing it with the following:

“119. The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than two. Subject to the provisions of these Articles and the Law, the Company may by ordinary resolution elect

any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office until the next following general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire at an annual general meeting by rotation pursuant to Article 116.”

By Order of the Board  
**Chow Yu-chun, Alexander**  
*Company Secretary*

Hong Kong, 28th October, 2005

**Notes:**

1. The register of members of the Company will be closed from 24th November, 2005 to 29th November, 2005, both days inclusive, during which period no share transfers will be effected. To qualify for the proposed final dividend, all share transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Standard Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 23rd November, 2005.
2. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies (who must be individuals) to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
3. To be effective, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Standard Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. In accordance with articles 99 and 116 of the Company’s articles of association, Dr. Cheng Kar-shun, Henry, Messrs. Doo Wai-hoi, William, Leung Chi-kin, Stewart, Chow Yu-chun, Alexander, Fu Sze-shing, Tien Pei-chun, James and Lee Luen-wai, John will retire as directors at the above meeting and being eligible, all the retiring directors will offer themselves for re-election.
5. The translation into Chinese language of this notice (including the Special Resolution which contains the proposed new Articles) is for reference only. In case of any inconsistency, the English version shall prevail.
6. As at the date of this notice, the board of directors of the Company comprises: (1) Dr. Cheng Kar-shun, Henry, Messrs. Doo Wai-hoi, William, Cheng Kar-shing, Peter, Leung Chi-kin, Stewart, Chow Kwai-cheung, Chow Yu-chun, Alexander and Fong Shing-kwong, Michael as executive directors; (2) Mr. Fu Sze-shing as non-executive director and (3) Messrs. Cheng Wai-chee, Christopher, Tien Pei-chun, James and Lee Luen-wai, John as independent non-executive directors.

The particulars of Messrs. Dr. Cheng Kar-shun, Henry, Messrs. Doo Wai-hoi, William, Leung Chi-kin, Stewart, Chow Yu-chun, Alexander, Fu Sze-shing, Tien Pei-chun, James and Lee Luen-wai, John, the retiring Directors who offer themselves for re-election at the AGM, disclosed pursuant to Rule 13.74 of the Listing Rules are as follows:

**Dr. Cheng Kar-shun, Henry *GBS***

Aged 58, was appointed the Chairman and Managing Director of the Company in 1999. He is also the Managing Director of NWD, the Chairman of New World TMT Limited, NWS Holdings Limited, Tai Fook Securities Group Limited, New World Mobile Holdings Limited and International Entertainment Corporation. He is the Managing Director of NWD (Hotels Investments) Limited and a director of Chow Tai Fook Enterprises Limited, HKR International Limited and a number of subsidiaries of the Company. He also acts as a Non-Executive Director of Lifestyle International Holdings Limited. Dr. Cheng is the Chairman of the Advisory Council for The Better Hong Kong Foundation, a Committee Member of the Tenth Chinese People's Political Consultative Conference of the People's Republic of China. In 2001, Dr. Cheng was awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region. Dr. Cheng is the brother of Mr. Cheng Kar-shing, Peter and the brother-in-law of Mr. Doo Wai-hoi, William.

There is no service contract between the Company and Dr. Cheng. Dr. Cheng has no fixed term of service but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. He was paid HK\$50,000 as director's fee during the year ended 30th June 2005 as determined by the board of Directors under the authority granted by the Shareholders at 2004 annual general meeting with reference to his duties and responsibility with the Company, the Company's performance as well as prevailing market situation. As at the Latest Practicable Date, Dr. Cheng is interested in 52,271,200 Shares held by his wholly-owned subsidiary. He also has beneficial interest in 12,500,000 underlying Shares attached to the share options granted by the Company within the meaning of Part XV of the Securities and Futures Ordinance.

**Mr. Doo Wai-hoi, William *JP***

Aged 61, was appointed the Vice-Chairman of the Company in June 1999. He is currently the Deputy Chairman of NWS Holdings Limited and Tai Fook Securities Group Limited as well as the Vice-Chairman of New World Mobile Holdings Limited. He also acts as an Executive Director of Lifestyle International Holdings Limited, a director of NWD (Hotels Investments) Limited, Fung Seng Diamond Company Limited and a number of subsidiaries of the Company. He previously held directorship in New World TMT Limited but has resigned with effect from 11th January, 2003. Mr. Doo has served as a Governor of the Canadian Chamber of Commerce in Hong Kong since 1995. In addition, he is a Member of the Executive Committee of the Tenth Chinese People's Political Consultative Conference in Shanghai, and the Convener of the Shanghai Committee in Hong Kong. In May 2005, he was appointed as the Honorary Consul of the Kingdom of Morocco in Hong Kong. Mr. Doo is the brother-in-law of Dr. Cheng Kar-shun, Henry and Mr. Cheng Kar-shing, Peter.

There is no service contract between the Company and Mr. Doo. Mr. Doo has no fixed term of service but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. He was paid HK\$50,000 as director's fee during the year ended 30th June 2005 as determined by the board of

Directors under the authority granted by the Shareholders at 2004 annual general meeting. In addition, he was paid HK\$1,000,000 as salaries during the year ended 30th June 2005 as determined by the board of Directors with reference to his duties and responsibility with the Company, the Company's performance as well as prevailing market situation. As at the Latest Practicable Date, Mr. Doo has a beneficial interest in 1,750,000 Shares and is interested in 45,050,000 Shares held by his wholly-owned subsidiary. He also has beneficial interest in 7,000,000 underlying Shares attached to the share options granted by the Company within the meaning of Part XV of the Securities and Futures Ordinance.

**Mr. Leung Chi-kin, Stewart**

Aged 66, Mr. Leung was appointed an Executive Director of the Company in June 1999. He is an Executive Director and the Group General Manager of NWD, a director of New World Hotel Company Limited, Hip Hing Construction Company Limited and a number of subsidiaries of the Company. He previously held directorship in New World TMT Limited but has resigned with effect from 17th January, 2003. He also acts as the Vice-Chairman of the Executive Committee of The Real Estate Developers Association of Hong Kong.

There is no service contract between the Company and Mr. Leung. Mr. Leung has no fixed term of service but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. He was paid HK\$50,000 as director's fee during the year ended 30th June 2005 as determined by the board of Directors under the authority granted by the Shareholders at 2004 annual general meeting with reference to his duties and responsibility with the Company, the Company's performance as well as prevailing market situation. As at the Latest Practicable Date, Mr. Leung has a beneficial interest in 500,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance.

**Mr. Chow Yu-chun, Alexander**

Aged 58, Mr. Chow was appointed an Executive Director of the Company in June 1999. He is also a director of New World Mobile Holdings Limited and a number of subsidiaries of the Company. He is a fellow of the Chartered Association of Certified Accountants (UK) and a CPA of the Hong Kong Institute of Certified Public Accountants and has over 30 years of experience in property development and investment in Hong Kong. Mr. Chow joined the New World Group in 1973 and is responsible for the financial operations of the Company and the New World Group. Mr. Chow is the Company Secretary of the Company.

There is no service contract between the Company and Mr. Chow. Mr. Chow has no fixed term of service but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. He was paid HK\$50,000 as director's fee during the year ended 30th June 2005 as determined by the board of Directors under the authority granted by the Shareholders at 2004 annual general meeting with reference to his duties and responsibility with the Company, the Company's performance as well as prevailing market situation. As at the Latest Practicable Date, Mr. Chow has a beneficial interest in 3,250,000 Shares as well as 3,000,000 underlying Shares attached to the share options granted by the Company within the meaning of Part XV of the Securities and Futures Ordinance.

**Mr. Fu Sze-shing**

Aged 56, Mr. Fu was appointed a Non-Executive Director of the Company in June 1999. He is a Non-Executive Director of New World TMT Limited and a Director of New World Development (China) Limited and a number of companies with investments in the PRC. He has over 20 years experience in PRC property development and investment businesses.

There is no service contract between the Company and Mr. Fu. Mr. Fu has no fixed term of service but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. He was paid HK\$50,000 as director's fee during the year ended 30th June 2005 as determined by the board of Directors under the authority granted by the Shareholders at 2004 annual general meeting with reference to his duties and responsibility with the Company, the Company's performance as well as prevailing market situation. As at the Latest Practicable Date, Mr. Fu does not have any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

**Mr. Tien Pei-chun, James**

Aged 58, Mr. Tien was appointed an Independent Non-Executive Director of the Company in June 1999. He is the Chairman of Manhattan Holdings Ltd., Manhattan Garments (International) Ltd., Manhattan Realty Ltd. and a Director of a number of private companies. A Legislative Councillor since 1988, Mr. Tien is very active in the community and serves on government committees as well as non-government boards in Hong Kong. He is the Chairman of the Legislative Council Panel on Economic Services, Chairman of the Liberal Party, a Member of the Chinese People's Political Consultative Conference, General Committee Member of the Hong Kong General Chamber of Commerce and the Federation of Hong Kong Industries, a Court Member of the Hong Kong Polytechnic University and a Council Member of The Chinese University of Hong Kong.

There is no service contract between the Company and Mr. Tien. Mr. Tien has no fixed term of service but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. He was paid HK\$100,000 as director's fee during the year ended 30th June 2005 as determined by the board of Directors under the authority granted by the Shareholders at 2004 annual general meeting with reference to his duties and responsibility with the Company, the Company's performance as well as prevailing market situation. As at the Latest Practicable Date, Mr. Tien does not have any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

**Mr. Lee Luen-wai, John JP**

Aged 56, Mr. Lee was appointed an Independent Non-Executive Director of the Company in December 2004. He is the managing director of Lippo Limited, a director of Lippo China Resources Limited, Hongkong Chinese Limited and Auric Pacific Group Limited as well as an independent non-executive director of NWD. He is a qualified accountant and was a partner of one of the leading international accounting firms in Hong Kong. He has extensive experience in corporate finance and capital markets. Mr. Lee serves as a member

on a number of Hong Kong Government Boards and Committees including Hospital Authority, Council of the City University of Hong Kong, Solicitors Disciplinary Tribunal Panel and Appeal Board on Closure Orders (Immediate Health Hazard).

There is no service contract between the Company and Mr. Lee. Mr. Lee has no fixed term of service but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. He was paid HK\$100,000 as director's fee during the year ended 30th June 2005 as determined by the board of Directors under the authority granted by the Shareholders at 2004 annual general meeting with reference to his duties and responsibility with the Company, the Company's performance as well as prevailing market situation. As at the Latest Practicable Date, Mr. Lee does not have any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is no other matters that need to be brought to the attention of the Shareholders in relation to the re-election of the above retiring Directors.

This Appendix serves as the explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to provide you with the information necessary for your consideration of the Repurchase Mandate to be granted to the Directors.

### **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,779,259,032 Shares.

Subject to the passing of the relevant ordinary resolution and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 377,925,903 Shares.

### **REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to have general authority from the Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earning per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

### **FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and articles of association and the applicable laws of the Cayman Islands. The laws of Cayman Islands provide that the purchase of Shares may only be paid from the profits of the Company and/or out of the proceeds of a new issue of Shares made for the purpose of the repurchase or out of capital, if the Company can immediately following such payment, pay its debt as they fall due in the ordinary course of business.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 30th June 2005) in the event that the proposed repurchase of Shares was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

### **GENERAL**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applied, they will exercise the Repurchase Mandate in accordance with the Listing Rules and applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their Associates have any present intention to sell any Shares to the Company.

No connected persons (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 do so, in the event that the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, NWD, directly and indirectly through its subsidiaries, held 2,714,858,780 Shares, representing an effective interest of approximately 71.09% in the issued share capital of the Company. Chow Tai Fook Enterprises Limited, by virtue of its interest in NWD, was deemed to be interested in the said 2,714,858,780 Shares. In the event that the Directors should exercise in full the Repurchase Mandate, the effective interests of NWD and Chow Tai Fook Enterprises Limited in the issued share capital of the Company would be increased to approximately 78.99%. The Directors do not intend to repurchase Shares to such an extent that the public float will fall below 25%. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any purchases made under the Repurchase Mandate.

### SHARE PRICES

The highest and lowest traded prices for Shares recorded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date were as follows:

|                                                           | <b>Highest</b><br><i>HK\$</i> | <b>Lowest</b><br><i>HK\$</i> |
|-----------------------------------------------------------|-------------------------------|------------------------------|
| <b>2004</b>                                               |                               |                              |
| October                                                   | 2.810*                        | 2.670*                       |
| November                                                  | 2.900*                        | 2.750*                       |
| December                                                  | 2.930*                        | 2.830*                       |
| <b>2005</b>                                               |                               |                              |
| January                                                   | 3.070*                        | 2.920*                       |
| February                                                  | 3.280*                        | 3.000*                       |
| March                                                     | 3.125                         | 2.800                        |
| April                                                     | 2.850                         | 2.675                        |
| May                                                       | 2.950                         | 2.600                        |
| June                                                      | 2.700                         | 2.525                        |
| July                                                      | 2.650                         | 2.250                        |
| August                                                    | 2.675                         | 2.475                        |
| September                                                 | 2.975                         | 2.475                        |
| October (up to and including the Latest Practicable Date) | 2.950                         | 2.700                        |

\* Adjusted to take into account of the rights issue in the proportion of three rights shares for every two Shares held on 21st March 2005, which was completed in April 2005.

### SHARE PURCHASES MADE BY THE COMPANY

No purchase of Shares has been made by the Company in the previous six months preceding the date of this circular (whether on the Stock Exchange or otherwise)