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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: 0917)

DISCLOSEABLE TRANSACTION

ACQUISITION OF EQUITY INTERESTS IN

DALIAN BOND TAK INTERNATIONAL FINANCE CENTRE CO., LTD. AND

DALIAN BOND TAK NEW WORLD HOTEL CO., LTD.

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DEFINITIONS

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

“Agreement”	a sale and purchase agreement dated 8 February 2005 entered into between NWDC and Beijing Bank in respect of the sale and purchase of the Sale Interests
“Beijing Bank”	Beijing Bank Co., Ltd. (北京銀行股份有限公司) (formerly known as Beijing City Commercial Bank Co., Ltd.), a joint stock company incorporated in the PRC on 29 January 1996 with limited liability and is a third party which is not a connected person of the Company and is independent of the Company and its connected persons
“Board”	the board of Directors
“Business Day”	means a day on which commercial banks are generally open for business in Dalian, the PRC
“Company”	New World China Land Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Dalian IFC”	Dalian Bond Tak International Finance Centre Co., Ltd. (大連奔德國際金融中心有限公司), a company incorporated in the PRC on 8 March 1993 with limited liability and, as at the date of the Agreement, was owned as to 70% by the Beijing Bank and 30% by NWDC
“Dalian NWH”	Dalian Bond Tak New World Hotel Co., Ltd. (大連奔德新世界酒店有限公司), a company incorporated in the PRC on 28 April 1995 with limited liability and, as at the date of the Agreement, was owned as to 65% by the Beijing Bank, 30% by NWDC and 5% by Dalian Zhongshan District Foreign Invested Enterprise Service Centre (大連中山區外商投資企業服務中心)
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“Latest Practicable Date”	28 February 2005, being the latest practicable date prior to the printing of this circular for inclusion of certain information in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“NWDC”	New World Development (China) Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interests”	70% of the equity interest in Dalian IFC and 65% of the equity interest in Dalian NWH
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

For your convenience, this circular contains conversion rate between Hong Kong Dollars and Renminbi at HK\$0.9434 = RMB1.00.



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

Registered Office:

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

Non-executive Directors:

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

*Principal place of business
in Hong Kong:*

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

* Independent non-executive Directors

7 March 2005

*To shareholders of the Company
and to options holders for information only*

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

**ACQUISITION OF EQUITY INTERESTS IN
DALIAN BOND TAK INTERNATIONAL FINANCE CENTRE CO., LTD. AND
DALIAN BOND TAK NEW WORLD HOTEL CO., LTD.**

INTRODUCTION

On 14 February 2005, the Board announced that on 8 February 2005, NWDC, a wholly-owned subsidiary of the Company, entered into the Agreement with Beijing Bank under which Beijing Bank has agreed to sell and NWDC has agreed to purchase 70% of the equity interest in Dalian IFC and 65% of the equity interest in Dalian NWH for an aggregate consideration of RMB440,000,000 (equivalent to HK\$415,096,000).

The Agreement entered into by NWDC constitutes a discloseable transaction for the Company under the Listing Rules. The purpose of this circular is to provide you with further information regarding the Agreement.

LETTER FROM THE BOARD

THE AGREEMENT

Date

8 February 2005

Parties

- (1) Beijing Bank, as the vendor
- (2) NWDC, a wholly-owned subsidiary of the Company, as the purchaser

Beijing Bank was the owner of 70% of the equity interest in Dalian IFC and 65% of the equity interest in Dalian NWH.

NWDC was the owner of 30% of the equity interest in Dalian IFC and 30% of the equity interest in Dalian NWH.

Major terms of the Agreement

Pursuant to the Agreement, Beijing Bank has agreed to sell and NWDC has agreed to purchase the Sale Interests, including 70% of the equity interest in Dalian IFC and 65% of the equity interest in Dalian NWH.

The aggregate consideration payable by NWDC to Beijing Bank for the Sale Interests is RMB440,000,000 (equivalent to HK\$415,096,000), which will be paid in cash by 5 instalments, the amount and due date of each are as follows:

- (1) RMB88,000,000 (equivalent to HK\$83,019,200) within 10 Business Days from the date of the Agreement;
- (2) RMB44,000,000 (equivalent to HK\$41,509,600) within 10 Business Days from the date on which the business registrations of each of Dalian IFC and Dalian NWH reflecting the changes in shareholding are completed;
- (3) RMB88,000,000 (equivalent to HK\$83,019,200) on or before 25 December 2005;
- (4) RMB88,000,000 (equivalent to HK\$83,019,200) on or before 25 December 2006; and
- (5) RMB132,000,000 (equivalent to HK\$124,528,800) on or before 25 December 2007.

In accordance with the terms of the Agreement, the Company executed a letter of guarantee on 8 February 2005 and pursuant to which, the Company shall provide unconditional and irrevocable guarantee to Beijing Bank in respect of all payment obligations of NWDC under the Agreement. The consideration for the acquisition will be satisfied by using the Company's internal resources and/or external financing obtained by the Company.

The terms and conditions of the Agreement, including the consideration to be paid by NWDC to Beijing Bank for the Sale Interests, are determined after arm's length negotiation between the parties thereto with reference to, among others, the prevailing market price of land in Dalian, the PRC and the Directors believe that the terms and conditions of the Agreement are fair and reasonable and in the interests of the shareholders of the Company as a whole.

LETTER FROM THE BOARD

Information of Dalian IFC

Dalian IFC was incorporated in the PRC on 8 March 1993 with limited liability and it was owned as to 70% and 30% by Beijing Bank and NWDC, respectively, as at the date of the Agreement. Upon completion of the Agreement, Dalian IFC will become an indirect wholly-owned subsidiary of the Company. The sole asset and business of Dalian IFC is the ownership and development right of a piece of land situated at No. 41 Renmin Lu, Zhongshan District, Dalian, the PRC and the land use right of which was acquired on 26 March 1994. The superstructure of the residential and commercial complex with gross floor area of approximately 215,166 square metres is now being built on the land, with completion expected to be in or around 2008 or 2009. As at the date of the Agreement, approximately RMB224,005,498 (equivalent to HK\$211,326,787) has been used for the preparation and construction of the complex. The estimate cost of completion of such residential and commercial complex is approximately RMB844,109,508 (equivalent to HK\$796,332,910).

The unaudited net asset value of Dalian IFC as at 30 June 2004 was RMB496,606,955 (equivalent to HK\$468,499,001). The unaudited net loss after taxation of Dalian IFC for the financial years ended 31 December 2003 and 31 December 2004 was RMB1,708 (equivalent to HK\$1,611) and RMB47,656 (equivalent to HK\$44,959), respectively.

Information of Dalian NWH

Dalian NWH was incorporated in the PRC on 28 April 1995 with limited liability and it was owned as to 65%, 30% and 5% by Beijing Bank, NWDC and Dalian Zhongshan District Foreign Invested Enterprise Service Centre (大連中山區外商投資企業服務中心), respectively, as at the date of the Agreement. Upon completion of the Agreement, Dalian NWH will be owned indirectly as to 95% by the Company and 5% by Dalian Zhongshan District Foreign Invested Enterprise Service Centre (大連中山區外商投資企業服務中心), a third party which is not a connected person of the Company and is independent of the Company and its connected persons. Dalian NWH is the holder of a licence in hotel operation which is not expected to commence any business operation until the completion of the construction of the residential and commercial complex by Dalian IFC. So far as the Directors are aware, no further approvals from government authorities in the PRC will be required for the commencement of operation of the hotel business by Dalian NWH.

The unaudited net asset value of Dalian NWH as at 30 June 2004 was RMB217,000 (equivalent to HK\$204,718). Dalian NWH did not make any profit or incur any loss for the two financial years ended 31 December 2004.

The value of the aggregate consideration for the Sale Interests represents a premium of approximately 27% to the aggregate amount of the unaudited consolidated net asset value of the Sale Interests.

REASONS FOR ENTERING INTO THE AGREEMENT

In view of the positive economic environment in Dalian, the Board believes that there will be persistent demand for properties in Dalian, thus the acquisition of further interest in Dalian IFC will provide an excellent opportunity for the Company to strengthen its control in Dalian IFC and increase its interests in the land owned by Dalian IFC which is valuable for future development, taking into account its prime position in the commercial centre of Dalian and that there is a lack of land supply in the vicinity. Dalian NWH, a holder of a hotel licence, will serve as a vehicle for the Group to enter into hotel business in Dalian when suitable opportunity arises.

LETTER FROM THE BOARD

INFORMATION RELATING TO THE PARTIES TO THE AGREEMENT

The principal business of the Company includes property development and property related investments in the PRC.

Beijing Bank is a joint stock company incorporated in the PRC on 29 January 1996 with limited liability. Beijing Bank is principally engaged in general banking business and other operations approved by China Banking Regulatory Commission.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Beijing Bank and its ultimate beneficial owner is a third party which is not a connected person of the Company and is independent of the Company and its connected persons.

GENERAL

Upon the completion of acquisition of the Sale Interests, Dalian IFC will become a wholly-owned subsidiary of NWDC and Dalian NWH will be owned as to 95% by NWDC and thus, each of Dalian IFC and Dalian NWH will contribute its turnover to NWDC. The financial results of each of Dalian IFC and Dalian NWH will be consolidated into the financial results of NWDC and the assets and liabilities of Dalian IFC and Dalian NWH will be included in the consolidated accounts of NWDC.

According to the Listing Rules, as the consideration ratio (as defined in Rule 14.07(4) of the Listing Rules) is more than 5% but less than 25%, the Agreement constitutes a discloseable transaction for the Company which is subject to the notification and publication requirements as set out in Rules 14.34 to 14.39 of the Listing Rules.

Your attention is drawn to the information set out in the appendix to this circular.

By Order of the Board
New World China Land Limited
Cheng Kar-shun, Henry
Chairman and Managing Director

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information relating to the Company 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 relating to the Company misleading.

DISCLOSURE OF INTERESTS**Directors and chief executive of the Company**

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or chief executive were deemed or taken to have under such provisions of the SFO); or which were required to be entered into the register required to be kept by the Company pursuant to section 352 of the SFO; or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as contained in Appendix 10 to the Listing Rules were as follows:

(I) *Interests and short positions in the shares, underlying shares and debentures of the Company***(a) *Long position in shares of the Company***

Name of Director	Nature of interest	Number of shares held	Percentage to the issued capital as at the Latest Practicable Date
Mr. Doo Wai-hoi, William	Personal	700,000	0.05
Mr. Doo Wai-hoi, William	Corporate	6,020,000	0.40
		<i>(note)</i>	
Mr. Cheng Kar-shing, Peter	Personal	366,800	0.02
Mr. Chow Kwai-cheung	Personal	400,126	0.03
Mr. Fong Shing-kwong, Michael	Personal	600,000	0.04

Note: These shares are beneficially owned by a company wholly-owned by Mr. Doo Wai-hoi, William.

(b) *Long position in underlying shares of the Company*

Under the share option scheme of the Company adopted on 18 December 2000, share options were granted to the undermentioned Directors which entitled them to subscribe for shares of the Company and accordingly they are regarded as interested in the underlying shares of the Company. Details of the share options granted to them are as follows:

Name of Director	Date of grant	Exercisable period	Number of share options with exercise price per share of HK\$1.955 as at the Latest Practicable Date
Dr. Cheng Kar-shun, Henry	7 February 2001	8 March 2001 to 7 March 2006 (note 1)	5,000,000
Mr. Doo Wai-hoi, William	8 February 2001	9 March 2002 to 8 March 2006 (note 2)	2,800,000
Mr. Cheng Kar-shing, Peter	9 February 2001	10 March 2003 to 9 March 2006 (note 3)	1,500,000
Mr. Chow Yu-chun, Alexander	8 February 2001	9 March 2001 to 8 March 2006 (note 1)	2,500,000
Mr. Leung Chi-kin, Stewart	7 February 2001	8 March 2001 to 7 March 2006 (note 1)	500,000
Mr. Chow Kwai-cheung	9 February 2001	10 March 2005 to 9 March 2006	100,000
Mr. Fong Shing-kwong, Michael	17 February 2001	18 March 2004 to 17 March 2006 (note 4)	400,000
Total			12,800,000

Notes:

- (1) The share options are exercisable during a period of five years commencing from the expiry of one month after the dates of each grant when the offers of share options were accepted, provided that the maximum number of share options that can be exercised during a year is 20% of the total number of the share options granted together with any unexercised share options carried forward from the previous years.
- (2) The share options were exercisable during the remaining exercisable period of four years, provided that the maximum number of share options that can be exercised during a year is 25% of the outstanding balance of the share options held together with any unexercised share options carried forward from the previous years.
- (3) The share options were exercisable during the remaining exercisable period of three years, provided that the maximum number of share options that can be exercised during a year is one-third of the outstanding balance of the share options held together with any unexercised share options carried forward from the previous years.
- (4) The share options were exercisable during the remaining exercisable period of two years, provided that the maximum number of share options that can be exercised during a year is 50% of the outstanding balance of the share options held together with any unexercised share options carried forward from the previous year.

(5) The cash consideration paid by each Director for each grant of the share options is HK\$10.

(II) Interests and short positions in the shares, underlying shares and debentures of the associated corporations of the Company

(a) Long position in the shares of the associated corporations of the Company

	Number of shares/ amount of registered capital			Total	Percentage to the relevant issued/ registered capital as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests		
New World Development Company Limited					
(Ordinary shares of HK\$1 each)					
Mr. Leung Chi-kin, Stewart	32,553	—	—	32,553	0.001
Mr. Chow Kwai-cheung	43,000	—	—	43,000	0.001
New World TMT Limited					
(Ordinary shares of HK\$1 each)					
Dr. Cheng Kar-shun, Henry	—	1,000,000	—	1,000,000	0.11
Mr. Doo Wai-hoi, William	—	—	12,000,000 (note 1)	12,000,000	1.26
NWS Holdings Limited					
(Ordinary shares of HK\$1 each)					
Dr. Cheng Kar-shun, Henry	2,000,000	587,000	—	2,587,000	0.14
Mr. Doo Wai-hoi, William	1,333,333	—	826,000 (note 1)	2,159,333	0.12
Mr. Cheng Kar-shing, Peter	333,333	—	2,659,700 (note 2)	2,993,033	0.17
Mr. Leung Chi-kin, Stewart	3,526,630	—	84,607 (note 3)	3,611,237	0.20
Mr. Chow Kwai-cheung	2,264,652	—	—	2,264,652	0.13
Mr. Chow Yu-chun, Alexander	2,330,418	—	—	2,330,418	0.13
Mr. Fong Shing-kwong, Michael	2,197,373	—	—	2,197,373	0.12
Mr. Cheng Wai-chee, Christopher	400,000	—	—	400,000	0.02
New World Mobile Holdings Limited					
(Ordinary shares of HK\$1 each)					
Mr. Fong Shing-kwong, Michael	6,580	—	—	6,580	0.008
Dragon Fortune Limited					
(Ordinary shares of US\$1 each)					
Mr. Cheng Kar-shing, Peter	—	—	15,869 (note 4)	15,869	27.41
Faith Yard Property Limited					
(Ordinary shares of US\$1 each)					
Mr. Doo Wai-hoi, William	—	—	1 (note 1)	1	50.00

	Number of shares/ amount of registered capital			Total	Percentage to the relevant issued/ registered capital as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests		
Fortune Star Worldwide Limited					
(Ordinary shares of US\$1 each)					
Mr. Doo Wai-hoi, William	—	—	60 <i>(note 1)</i>	60	60.00
Fung Seng Estate Development (Shanghai) Co., Ltd.					
(Registered capital in US\$)					
Mr. Doo Wai-hoi, William	—	—	3,000,000 <i>(note 5)</i>	3,000,000	30.00
Grand Make International Limited					
(Ordinary shares of US\$1 each)					
Mr. Doo Wai-hoi, William	—	—	10 <i>(note 1)</i>	10	10.00
Master Services Limited					
(Ordinary shares of US\$0.01 each)					
Mr. Leung Chi-kin, Stewart	16,335	—	—	16,335	1.63
Mr. Chow Kwai-cheung	16,335	—	—	16,335	1.63
Mr. Chow Yu-chun, Alexander	16,335	—	—	16,335	1.63
Nanjing New World Chang Jiang Equipment Co. Ltd.					
(Registered capital in RMB)					
Mr. Doo Wai-hoi, William	—	—	5,357,275 <i>(note 1)</i>	5,357,275	21.18
Nanjing Xinlidao Property Development Limited					
(Registered capital in HK\$)					
Mr. Doo Wai-hoi, William	—	—	21,000,000 <i>(note 1)</i>	21,000,000	35.00
Ramada Property Ltd.					
(Ordinary shares of US\$1 each)					
Mr. Doo Wai-hoi, William	—	—	200 <i>(note 1)</i>	200	20.00
Shanghai Ju Yi Real Estate Development Co., Ltd.					
(Registered capital in RMB)					
Mr. Doo Wai-hoi, William	—	—	105,000,000 <i>(note 5)</i>	105,000,000	30.00
Shanghai Trio Property Development Co. Ltd.					
(Registered capital in US\$)					
Mr. Doo Wai-hoi, William	—	—	28,350,000 <i>(note 6)</i>	28,350,000	52.50

	Number of shares/ amount of registered capital			Total	Percentage to the relevant issued/ registered capital as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests		
Sun City Holdings Limited					
(Ordinary shares of HK\$1 each)					
Mr. Cheng Kar-shing, Peter	—	80,000	3,570,000 <i>(note 7)</i>	3,650,000	45.63
Sun Legend Investments Limited					
(Ordinary shares of HK\$1 each)					
Mr. Cheng Kar-shing, Peter	—	—	500 <i>(note 8)</i>	500	50.00
YE Holdings Corporation					
(Ordinary shares of HK\$1 each)					
Mr. Leung Chi-kin, Stewart	37,500	—	—	37,500	1.50
Zhaoqing New World Property Development Limited					
(Registered capital in US\$)					
Mr. Doo Wai-hoi, William	—	—	8,250,000 <i>(note 9)</i>	8,250,000	60.00
Zhaoqing New World Property Management Limited					
(Registered capital in HK\$)					
Mr. Doo Wai-hoi, William	—	—	300,000 <i>(note 9)</i>	300,000	60.00

Notes:

- (1) These shares are beneficially owned by companies wholly-owned by Mr. Doo Wai-hoi, William.
- (2) These shares are beneficially owned by a company wholly-owned by Mr. Cheng Kar-shing, Peter.
- (3) These shares are beneficially owned by a company of which Mr. Leung Chi-kin, Stewart has a direct interest of 55%.
- (4) Out of 15,869 shares of Dragon Fortune Limited, 4,102 shares are held by a company wholly-owned by Mr. Cheng Kar-shing, Peter and 11,767 shares are held by Sun City Holdings Limited (“Sun City”), of which Mr. Cheng is deemed to be interested in 45.63% of its issued share capital.
- (5) These represent the participating interests held by a company wholly-owned by Mr. Doo Wai-hoi, William.
- (6) These include 50% direct interests and 2.5% participating interests in the registered capital of Shanghai Trio Property Development Co. Ltd. being held by companies wholly-owned by Mr. Doo Wai-hoi, William.
- (7) These shares are held by a company of which Mr. Cheng Kar-shing, Peter has an indirect interest of 48.18%.
- (8) Mr. Cheng Kar-shing, Peter is deemed to be interested in the shares of Sun Legend Investments Limited by virtue of his interests in Sun City.

- (9) Mr. Doo Wai-hoi, William is deemed to be interested in the registered capitals of these companies by virtue of his interest in Fortune Star Worldwide Limited, of which Mr. Doo Wai-hoi, William owns an indirect interest of 60%.

(b) Long position in the underlying shares in the associated corporations of the Company

(i) New World TMT Limited

Under the share option scheme of a fellow subsidiary, New World TMT Limited (“NWTMT”) adopted on 3 October 1997, the following Director was granted share options to subscribe for shares in NWTMT and accordingly, he is regarded as interested in the underlying shares of NWTMT. Details of the share options of NWTMT granted to him are as follows:

Name of Director	Date of grant	Number of share options as at the Latest Practicable Date with exercise price per share of	
		HK\$10.20	HK\$12.00
Mr. Fu Sze-shing	23 September 1999	240,000 (note 1)	960,000 (note 2)

Notes:

- (1) Exercisable from 1 July 2000 to 1 June 2005.
- (2) Divided into 3 tranches exercisable from 1 July 2001, 2002 and 2003 to 1 June 2005 respectively.

(ii) NWS Holdings Limited

Under the share option scheme of a fellow subsidiary, NWS Holdings Limited (“NWS”), the following Directors have personal interests in share options to subscribe for shares in NWS and are accordingly regarded as interested in the underlying shares of NWS. Details of the share options of NWS granted to them are as follows:

Name of Director	Date of grant	Exercise price per share (HK\$)	Exercisable period	Number of share options as at the Latest Practicable Date
Dr. Cheng Kar-shun, Henry	21 July 2003	3.725	Note (1)	1,000,000
Mr. Doo Wai-hoi, William	21 July 2003	3.725	Note (1)	666,667
Mr. Cheng Kar-shing, Peter	21 July 2003	3.725	Note (1)	166,667
Mr. Leung Chi-kin, Stewart	21 July 2003	3.725	Note (2)	68,000
Mr. Chow Yu-chun, Alexander	21 July 2003	3.725	Note (2)	133,334
Mr. Fong Shing-kwong, Michael	21 July 2003	3.725	Note (1)	166,667
Mr. Cheng Wai-chee, Christopher	21 July 2003	3.725	Note (1)	200,000

Notes:

- (1) Exercisable from 21 July 2005 to 20 July 2008.
- (2) Divided into 2 tranches exercisable from 21 July 2004 and 21 July 2005 to 20 July 2008 respectively.

(iii) New World Mobile Holdings Limited

Under the share option scheme of a fellow subsidiary, New World Mobile Holdings Limited (“NWMH”), the following Directors have personal interests in share options to subscribe for shares in NWMH and are accordingly regarded as interested in the underlying shares of NWMH. Details of the share options of NWMH granted to them are as follows:

Name of Director	Date of grant	Exercise price per share (HK\$)	Exercisable period	Number of share options as at the Latest Practicable Date
Dr. Cheng Kar-shun, Henry	28 January 2005	1.26	Note	780,000
Mr. Doo Wai-hoi, William	28 January 2005	1.26	Note	300,000
Mr. Chow Yu-chun, Alexander	28 January 2005	1.26	Note	482,000

Note: Exercisable from 28 January 2005 to 31 December 2010.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executive of the Company or any of their associates had or deemed to have any interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short position which any such Director or chief executive is taken or deemed to have under such provisions of the SFO) or which were required to be entered into the register kept by the Company pursuant to section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial shareholders of the Company

(I) *Interests to be disclosed under Divisions 2 and 3 of Part XV of the SFO*

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, other than the interests and short positions of the Directors or chief executive of the Company as disclosed above, the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name	Number of shares		Total	Percentage to the issued share capital as at the Latest Practicable Date
	Beneficial interest	Corporate interest		
Chow Tai Fook Enterprises Limited (<i>note 1</i>)	—	3,349,454,778	3,349,454,778	222.87
New World Development Company Limited (“NWD”)	3,310,400,271 (<i>note 2</i>)	39,054,507 (<i>note 3</i>)	3,349,454,778	222.87

Notes:

- (1) Chow Tai Fook Enterprises Limited and its subsidiaries have interests in more than one-third of the issued shares of NWD and is accordingly deemed to have an interest in the shares deemed to be interested by NWD.
- (2) These included 1,015,053,093 shares directly held by NWD in the issued share capital of the Company, together with 2,295,347,178 rights shares taken to be interested by NWD as underwriter in respect of the proposed rights issue of shares of the Company pursuant to the underwriting agreement entered into between the Company and NWD on 18 February 2005, details of which were set out in the joint announcement of the Company and NWD dated 18 February 2005.
- (3) NWD is deemed to be interested in 22,508,064 shares held by Great Worth Holdings Limited, its 59% owned subsidiary, together with 16,546,443 shares held by High Earnings Holdings Limited, its 54% owned subsidiary.

All the interests stated above represent long position.

(II) Interests in 10% or more of the nominal value of share capital carrying voting rights at any subsidiary of the Company

As at the Latest Practicable Date, so far as is known to the Director or chief executive of the Company and save as otherwise disclosed in this circular, the persons (other than a Director or chief executive of the Company or a member of the Group) who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any subsidiary of the Company were as follows:

Name of shareholder	Name of subsidiary of the Company	Number of shares/amount of equity interest held
Dalian Commercial Network Construction and Development Company	Dalian New World Plaza International Co., Ltd.	RMB6,960,000 (12% of the equity interest)
Shun Hing China Investment Limited	Ramada Property Ltd.	100 shares (10% of the equity interest)
Hopwin Construction Engineering Limited	Hopwin Properties (China) Limited	2 shares (20% of the equity interest)
Melbourne Enterprises Ltd.	Billion Park Investment Limited	142,900 shares (14.29% of the equity interest)
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development Limited	RMB9,772,000 (10% of the equity interest)
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 2 Limited	RMB9,772,000 (10% of the equity interest)
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 3 Limited	RMB16,460,000 (10% of the equity interest)
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 4 Limited	RMB9,772,000 (10% of the equity interest)
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 5 Limited	RMB9,932,000 (10% of the equity interest)
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 6 Limited	RMB9,772,000 (10% of the equity interest)

Name of shareholder	Name of subsidiary of the Company	Number of shares/amount of equity interest held
Shanghai Hongdu Enterprises (Group) Company Limited	Shanghai Heyu Properties Company Limited	US\$2,400,000 (20% of the equity interest)
深圳瑋鵬實業有限公司	Shenzhen Topping Real Estate Development Co., Ltd.	HK\$18,200,000 (10% of the equity interest)
武漢市國營漢口漁場	Wuhan Xin Han Development Co., Ltd.	RMB16,500,000 (30% of the equity interest)

Save as disclosed above, as at the Latest Practicable Date, there was no other person (other than a Director or chief executive of the Company), who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Interest in contract

As at the Latest Practicable Date, save for contracts among members of the Group, no other contracts of significance in relation to the Company's business to which the Company, its subsidiaries, its holding company or fellow subsidiaries is a party, and in which any Director had a material interest, whether directly or indirectly.

Service contracts

As at the Latest Practicable Date, none of the Directors or proposed directors (if any) of the Company had any existing or proposed service contract with member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation)).

Directors' interest in competing business

As at the Latest Practicable Date, the following Directors are considered to have interests in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group as set out below:

Name of Directors	Name of entities with competing businesses	Business activities of the entities	Nature of interest of Directors in the entities
Dr. Cheng Kar-shun, Henry	Beijing Jiang Guang Development Limited	Hotel operation in Beijing	Director
	Beijing Chang Le Real Estates Development Co., Ltd.	Property development in Beijing	Director
	Beijing Niceline Real Estates Development Co., Ltd.	Property development in Beijing	Director
	Beijing Fu Wah Real Estates Development Co., Ltd.	Property development in Beijing	Director
	Beijing Po Garden Real Estates Development Co., Ltd.	Property development in Beijing	Director
	Huizhou New World Enterprises Development Co., Ltd.	Property development in Huizhou	Director
	Qingyuan New World Housing Development Ltd.	Property development in Qingyuan	Director
	Tianjin Tianzheng Property & Merchants Co., Ltd.	Land improvement in Tianjin	Director
	Wuhan New Eagle Development Co., Ltd.	Property development in Wuhan	Director
	Wuxi Ramada Hotel Company Limited	Hotel operation in Wuxi	Director
Mr. Doo Wai-hoi, William	New Bei Fang Hotel Ltd.	Property investment	Director
	Tianjin Tianzheng Property & Merchants Co., Ltd.	Land improvement in Tianjin	Director
Mr. Cheng Kar-shing, Peter	Qingyuan New World Housing Development Ltd.	Property development in Qingyuan	Director
	Wuhan New Eagle Development Co., Ltd.	Property development in Wuhan	Director
Mr. Chow Kwai-cheung	Beijing Chang Le Real Estates Development Co., Ltd.	Property development in Beijing	Director
	Beijing Fu Wah Real Estates Development Co., Ltd.	Property development in Beijing	Director
	Beijing Niceline Real Estates Development Co., Ltd.	Property development in Beijing	Director
	Beijing Po Garden Real Estates Development Co., Ltd.	Property development in Beijing	Director
	北京市天竺花園別墅發展有限公司	Property development in Beijing	Director
	Tianjin Tianzheng Property & Merchants Co., Ltd.	Land improvement in Tianjin	Director
	廣州金湖住宅發展有限公司	Property development in Guangzhou	Director
	廣州紅丰房地產有限公司	Property development in Guangzhou	Director
增城永裕房地產有限公司	Property development in Guangzhou	Director	

Name of Directors	Name of entities with competing businesses	Business activities of the entities	Nature of interest of Directors in the entities
Mr. Chow Yu-chun, Alexander	Grand New World Hotel Company Limited	Hotel operation in Xian	Director
	Guangzhou Metropolitan Properties Co., Ltd.	Property development in Guangzhou	Director
	Guangzhou New World Properties Development Co., Ltd.	Property development in Guangzhou	Director
	Huizhou New World Enterprises Development Co., Ltd.	Property development in Huizhou	Director
	New Bei Fang Hotel Ltd.	Property investment	Director
	Qingyuan New World Housing Development Ltd.	Property development in Qingyuan	Director
	Wuhan New Eagle Development Co., Ltd.	Property development in Wuhan	Director
Mr. Fong Shing-kwong, Michael	Beijing Jiang Guang Centre Co., Ltd.	Hotel operation in Beijing	Director
	Beijing Fu Wah Real Estates Development Co., Ltd.	Property development in Beijing	Director
	Beijing Niceline Real Estates Development Co., Ltd.	Property development in Beijing	Director
	Grand New World Hotel Company Limited	Hotel operation in Xian	Director
	Wuxi New City Development Co., Ltd.	Hotel operation in Wuxi	Director

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with businesses of the Group.

LITIGATION

No member of the Group is at present engaged in any litigation or arbitration of material importance to the Group and no litigation or claim of material importance to the Group is known to the Directors or the Company to be pending or threatened by or against any member of the Group.

MISCELLANEOUS

- (a) The English text of this circular shall prevail over the Chinese text.
- (b) The registered office of the Company is situated at P.O. Box 309, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies.
- (c) The head office of the Company is at 9/F., New World Tower 1, 18 Queen's Road Central, Hong Kong.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Standard Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.

- (e) The secretary of the Company is Mr. Chow Yu-chun, Alexander, who is a fellow of Chartered Association of Certified Accountants (UK) and an associate of the Hong Kong Institute of Certified Public Accountants.

- (f) The qualified accountant of the Company is Ms. Ngan Man-ying, Lynda, who is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Chartered Association of Certified Accountants (UK).