

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

**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **NEW WORLD CHINA LAND LIMITED**, you should at once hand this circular with the enclosed form of proxy to the purchaser or the 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.

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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: 917)**

**CONTINUING CONNECTED TRANSACTIONS  
AND  
PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES  
OF ASSOCIATION OF THE COMPANY  
AND  
PROPOSED USE OF THE COMPANY'S OWN WEBSITE FOR SENDING OR  
SUPPLYING CORPORATE COMMUNICATION TO SHAREHOLDERS**

**Independent financial adviser to the Independent Board Committee  
and the Independent Shareholders**



**CIMB-GK Securities (HK) Limited**

A letter from the Independent Board Committee is set out on page 11 of this circular. A letter from CIMB-GK, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 12 to 19 of this circular.

A notice convening the EGM to be held at Meeting Rooms S226–227 (Old Wing), Hong Kong Convention and Exhibition Centre, 1 Harbour Road, Wanchai, Hong Kong on Monday, 29 June 2009, at 10:15 a.m. is set out on pages 39 to 43 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, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, 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 or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

12 June 2009

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## DEFINITIONS

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

“Articles of Association”	the articles of association of the Company
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“CIMB-GK”	CIMB-GK Securities (HK) Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Master Leasing Agreement
“Company”	New World China Land Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the main board of the Stock Exchange (Stock Code: 917)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Corporate Communication”	any document issued or to be issued by the Company for the information or action of holders of any of the Company’s securities, including but not limited to: (a) the directors’ report, its annual accounts together with a copy of the auditor’s report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purposes of, amongst other things, considering and, if thought fit, approving the Master Leasing Agreement and the amendments to the Memorandum and Articles of Association
“First Master Leasing Agreement”	the master leasing agreement entered into between the Company and NWDSI dated 1 March 2007
“Group”	the Company and/or its subsidiaries as at the Latest Practicable Date
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

## DEFINITIONS

“Independent Board Committee”	the independent board committee of the Company comprising Messrs. Cheng Wai-chee, Christopher, Tien Pei-chun, James and Lee Luen-wai, John, which is formed to advise the Independent Shareholders in relation to the Master Leasing Agreement
“Independent Shareholders”	shareholders of the Company other than NWD and its associates
“Latest Practicable Date”	5 June 2009, being the latest practicable date prior to the bulk-printing of this circular for ascertaining certain information contained herein
“Leasing Agreements”	the leasing agreements entered into between members of the Group and members of NWDSI Group prior to 1 July 2009
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Leasing Agreement”	the master leasing agreement dated 22 May 2009 entered into by the Company, NWDSI and NWDS in relation to the leasing of the Premises
“Memorandum”	the memorandum of association of the Company
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 17)
“NWDS”	New World Department Store China Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 825)
“NWDS Group”	NWDS and its subsidiaries from time to time
“NWDSI”	New World Department Store (Investment) Limited (formerly known as New World Department Stores (Holdings) Limited), a company incorporated in Hong Kong and wholly-owned by NWDS at the date of the Master Leasing Agreement
“NWDSI Group”	NWDSI and its subsidiaries from time to time
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC)
“Premises”	the premises owned by the Group from time to time

## DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholders”	holder(s) of the Shares
“Share(s)”	the ordinary share(s) in the issued share capital of the Company with a par value of HK\$0.10 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto in the Listing Rules
“sq.m.”	square meter(s)
“%”	per cent.

LETTER FROM THE BOARD



**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: 917)**

*Executive Directors:*

Dr. Cheng Kar-shun, Henry *GBS*  
*(Chairman and Managing Director)*  
Mr. Doo Wai-hoi, William *JP (Vice Chairman)*  
Mr. Cheng Kar-shing, Peter  
Mr. Cheng Chi-kong, Adrian  
Mr. Leung Chi-kin, Stewart  
Mr. Chow Kwai-cheung  
Mr. Chow Yu-chun, Alexander  
Mr. Fong Shing-kwong, Michael  
Ms. Ngan Man-ying, Lynda

*Non-executive Director:*

Mr. Fu Sze-shing

*Independent non-executive Directors:*

Mr. Cheng Wai-chee, Christopher *GBS OBE JP*  
Mr. Tien Pei-chun, James  
Mr. Lee Luen-wai, John *JP*

*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:*

9th Floor, New World Tower 1  
18 Queen's Road Central  
Hong Kong

12 June 2009

*To the Shareholders and for information purpose only,  
the holders of the outstanding share options of the Company*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS  
AND  
PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES  
OF ASSOCIATION OF THE COMPANY  
AND  
PROPOSED USE OF THE COMPANY'S OWN WEBSITE FOR SENDING OR  
SUPPLYING CORPORATE COMMUNICATION TO SHAREHOLDERS**

**INTRODUCTION**

The purpose of this circular is to provide you with details relating to (i) the Master Leasing Agreement, the opinion of the Independent Board Committee and the advice of CIMB-GK in respect of the Master Leasing Agreement; (ii) the proposed amendments to the Memorandum and Articles of Association; and (iii) the proposed use of the Company's website for sending or supplying Corporate Communication to the Shareholders, and to give notice of the EGM thereof.

## LETTER FROM THE BOARD

### MASTER LEASING AGREEMENT

The Group has been leasing certain Premises to members of NWDSI Group under the First Master Leasing Agreement which was duly approved by the Independent Shareholders at the extraordinary general meeting of the Company held on 11 April 2007. Details of the First Master Leasing Agreement were announced by the Company on 1 March 2007 and were included in the circular of the Company dated 21 March 2007.

Maximum transaction amounts (“annual cap”) under the First Master Leasing Agreement were set for the three financial years ending 30 June 2009. Since the leases granted to NWDSI Group pursuant to the terms of the respective Leasing Agreements governed by the First Master Leasing Agreement will continue to be operative after 30 June 2009 and that new Premises may be leased to NWDS Group in the future, the Board intends to renew the annual cap by entering into the Master Leasing Agreement with NWDS for a term of three years commencing from 1 July 2009 to 30 June 2012. NWDSI and the Company have agreed to terminate the First Master Leasing Agreement upon the Master Leasing Agreement becoming effective.

Details of the Master Leasing Agreement are set out as follows:

**Date** : 22 May 2009

**Parties** : the Company;  
NWDS ; and  
NWDSI.

#### Major Terms:

- (A) the Company agreed to lease or procure the leasing of the Premises to NWDS Group and NWDS agreed to lease or procure the leasing of the Premises from the Group in accordance with the following terms:
- (1) in respect of the Leasing Agreements (*Note*) which have not expired as at 1 July 2009, all terms agreed among the parties thereto in respect of the Leasing Agreements shall remain in full force notwithstanding the terms of the Master Leasing Agreement;
  - (2) save for the Leasing Agreements, the Company agreed to lease the Premises (at the request of and as specified by NWDS Group) through itself and/or any member of the Group to NWDS Group in accordance with the terms of the Master Leasing Agreement at the request of NWDS Group subject to the subsequent agreement of the terms and conditions by the parties thereto in relation to each particular Premises which shall be recorded in writing in the form of a leasing agreement, on normal commercial terms or on terms no more favourable than terms available to independent third parties; and
  - (3) the leasing of Premises by the Group to NWDS Group is on a non-exclusive basis.
- (B) NWDSI and the Company agreed to terminate the First Master Leasing Agreement upon the Master Leasing Agreement becoming effective.

## LETTER FROM THE BOARD

*Note:*

Details of the major Leasing Agreements are set out as follows:

Premises	Area	Term	Rental	Management fee
Tianjin New World Plaza, Nankai District, Tianjin, PRC	1st Floor to 4th Floor (39,723 sq.m.)	15 March 2004 to 14 March 2024	(a) from the first to the tenth year: RMB26,375,000 per annum; from the eleventh year to the thirteenth year: RMB27,090,000 per annum; from the fourteenth year to the seventeenth year: RMB28,100,000 per annum; from the eighteenth year to the twentieth year: RMB30,300,000 per annum; or (b) 5% on sales revenue, whichever is the higher	Annual fee of RMB3,968,700
Tianjin New World Plaza, Nankai District, Tianjin, PRC	1st Floor to 4th Floor (1,097 sq.m.)	15 January 2006 to 14 March 2024	15 January 2006 to 14 March 2006: RMB90,985 per annum; 15 March 2006 to 14 March 2014: RMB545,910 per annum; 15 March 2014 to 14 March 2017: RMB560,700 per annum; 15 March 2017 to 14 March 2021: RMB581,620 per annum; 15 March 2021 to 14 March 2024: RMB627,160 per annum.	Annual fee of RMB82,145
Wuhan New World Centre, Jiefang Road, Hankou, Wuhan, PRC	1st Floor to 5th Floor (39,900 sq.m.)	three years from 1 December 2006, renewable for up to 20 years	RMB50 per sq.m. per month or 5% of gross sales revenue, whichever is the higher	Monthly fee of RMB49,071
	Street level retail area (3,392.21 sq.m.)	three years from 1 December 2006, renewable for up to 20 years	RMB100 per sq.m. per month or 5% of gross sales revenue, whichever is the higher	
Shanghai Ramada Plaza, 1555 Dingxi Road, Changning District, Shanghai, PRC	22,502 sq.m.	1 January 2009 to 30 November 2010	annual rental of RMB9,950,482	Annual fee of RMB552,000
Nanjing New World Centre, No. 88 Zhujiang Road, Xuanwu District, Nanjing, PRC	1st Floor to 5th Floor (41,206 sq.m.)	three years from 1 November 2007, renewable for up to 30 years	first three years: 3% of gross sales revenue; from the fourth year: 5% of gross sales revenue	Not Applicable



## **LETTER FROM THE BOARD**

### **Rental**

The rental and management fees for each of the Premises to be leased by any member of NWDS Group from the Group during the term of the Master Leasing Agreement shall be determined by the parties thereto in writing taking into account the market rental of the properties similar to the Premises and on the basis that as if such Premises are leased to independent third parties in the ordinary course of business.

### **Term**

Pursuant to the Master Leasing Agreement, NWDS and the Company agreed that the term of the Master Leasing Agreement shall be from 1 July 2009 to 30 June 2012.

### **Condition**

The Master Leasing Agreement and the continuing connected transactions contemplated thereunder are subject to the approval by the Independent Shareholders at the EGM of the Company.

### **Maximum annual rental value**

It is expected that the maximum annual rental and management fees under the Master Leasing Agreement for the financial years ending 30 June 2010, 30 June 2011 and 30 June 2012 will not exceed HK\$110,000,000, HK\$156,000,000 and HK\$168,000,000, respectively, which was determined with reference to:

- (1) the prevailing and forecasted retail market conditions in the PRC;
- (2) the total rental and management fees paid and payable by NWDSI Group to the Group under the First Master Leasing Agreements; and
- (3) the estimated rental and management fees payable by NWDS Group with respect to the leasing of new Premises from the Group for the new department stores expected to be opened by NWDS Group.

The annual cap in respect of the First Master Leasing Agreement for each of the three financial years ending 30 June 2009 was HK\$103,000,000.

### **Historical figures**

The historical yearly rental and management fees paid by NWDSI Group to the Group under the Leasing Agreements and the First Master Leasing Agreement for the two financial years ended 30 June 2007 and 30 June 2008 and for the nine months ended 31 March 2009 were HK\$57,530,000, HK\$88,336,000 and HK\$56,553,000, respectively.

## **LETTER FROM THE BOARD**

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE MASTER LEASING AGREEMENT**

The Group is principally engaged in the property development, property investment and property related business in the PRC. NWDS Group is principally engaged in the business of owning and managing department stores in the PRC. Given that the Group has been leasing its Premises to NWDS Group on a regular and continuing basis, the Board believes that it is impracticable to seek Shareholders' approval each time the relevant leasing agreement is entered into. In view of this and the fact that the annual cap under the First Master Leasing Agreement will expire on 30 June 2009, the Board intends to set an annual cap for further three years by entering into the Master Leasing Agreement which will regulate the future possible business relationship between the parties.

The Directors believe that the terms of the Master Leasing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

As at the Latest Practicable Date, NWD held an approximately 70% attributable interest in the issued share capital of the Company and an approximately 72% attributable interest in the issued share capital of NWDS. NWDS is therefore an associate of NWD and a connected person of the Company. Accordingly, the transactions contemplated under the Master Leasing Agreement constitute continuing connected transactions of the Company. Given that one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the maximum annual rental and management fees expected to be payable by NWDS Group to the Group for leasing the Premises exceeds 2.5%, the Master Leasing Agreement is subject to reporting and announcement requirements and Independent Shareholders' approval under the Listing Rules.

### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee has been appointed to advise the Independent Shareholders on the terms of the Master Leasing Agreement. CIMB-GK has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Master Leasing Agreement.

### **GENERAL**

The Company is principally engaged in property development, property related investments as well as rental and hotel operation in the PRC.

NWDS is principally engaged in the operation of department stores in the PRC.

NWDSI is principally engaged in investment holdings.

## **LETTER FROM THE BOARD**

### **PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

In view of the amended Rule 2.07A of the Listing Rules relating to the use of electronic means or website for communication with the Shareholders which became effective on 1 January 2009, the Board proposes that certain amendments to be made to the relevant provisions of the Articles of Association so as to conform to such amendments to the Listing Rules.

The proposed amendments to the Articles of Association are to enable the Company to send or supply the Corporate Communication to the Shareholders using electronic means or by making them available on the Company's website in satisfaction of the Company's obligation to send a printed copy thereof to the Shareholders to the extent permitted under the Listing Rules and the Company's constitutional documents.

In order to update all references of "Companies Law (2004 Revision)" and "Companies Law (1998 Revision)" in the Memorandum and Articles of Association to its latest revised version, the Directors propose to amend the Memorandum and Articles of Association by replacing all references of "Companies Law (2004 Revision)" and "Companies Law (1998 Revision)" to "Companies Law (2007 Revision)".

The Directors also propose to adopt a new Memorandum and Articles of Association to incorporate all the amendments to be proposed at the EGM.

The aforesaid proposed amendments to the Memorandum and Articles of Association and the adoption of a new Memorandum and Articles of Association are subject to the approval of the Shareholders by way of special resolutions at the EGM. Full text of the proposed amendments to the Memorandum and Articles of Association is set out in Appendix I to this circular.

### **PROPOSED USE OF THE COMPANY'S OWN WEBSITE FOR SENDING OR SUPPLYING CORPORATE COMMUNICATION TO SHAREHOLDERS**

In order to increase efficiency in communication with Shareholders and contribute to environmental protection, the Company proposes that it may send or supply Corporate Communication to the Shareholders in relation to whom the following conditions (as required by Rule 2.07A(2A)(b) of the Listing Rules) are met by making such Corporate Communication available on the Company's own website: (i) each Shareholder has been asked individually by the Company to agree that the Company may send or supply Corporate Communication generally, or the Corporate Communication in question, to him by means of the Company's own website; and (ii) the Company has not received a response indicating objection from such Shareholder within the period of 28 days beginning with the date on which the Company's request was sent. The Shareholders in relation to whom the aforesaid two conditions are met shall be taken to have agreed that the Company may send or supply Corporate Communication to such Shareholders by making such Corporate Communication available on the Company's own website.

## LETTER FROM THE BOARD

### EGM

The Company will convene the EGM at Meeting Rooms S226–227 (Old Wing), Hong Kong Convention and Exhibition Centre, 1 Harbour Road, Wanchai, Hong Kong on Monday, 29 June 2009 at 10:15 a.m., to consider and approve the resolutions set out in the notice of the EGM. A notice of the EGM is set out in Appendix III to this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, the votes taken at the EGM must be taken on poll. NWD and its associates, holding approximately 70% attributable interest in the issued share capital of the Company as at the Latest Practicable Date will abstain from voting in respect of the ordinary resolution proposed to approve the Master Leasing Agreement at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, 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, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. The completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so desire.

### OPINION

The Directors (including the independent non-executive Directors) consider that the terms of the Master Leasing Agreement are fair and reasonable, and that the proposed amendments to the Memorandum and Articles of Association, the proposed use of the Company's website for sending or supplying Corporation Communication to the Shareholders and the entering into the Master Leasing Agreement are in the best interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) therefore recommend the Shareholders to vote in favour of all the resolutions as set out in the notice of the EGM.

Your attention is drawn to the letter from the Independent Board Committee and the letter from CIMB-GK set out in this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders and the advice of CIMB-GK to the Independent Board Committee and the Independent Shareholders, respectively. Your attention is also drawn to the information as set out in the Appendices to this circular.

Yours faithfully  
For and on behalf of  
**New World China Land Limited**  
**Dr. Cheng Kar-shun, Henry**  
*Chairman and Managing Director*



**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: 917)**

12 June 2009

*To the Independent Shareholders*

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTIONS**

We refer to the letter from the Board set out in the circular issued by the Company to the Shareholders and dated 12 June 2009 (the “Circular”) of which this letter forms part. Capitalised terms defined in the Circular have the same meanings when used herein unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, the terms and conditions of the Master Leasing Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the Master Leasing Agreement is in the interests of the Company and the Shareholders as a whole. CIMB-GK has been appointed by the Company as the independent financial adviser to advise us and the Independent Shareholders in this respect.

We wish to draw your attention to the letter from the Board and the letter from CIMB-GK to us and the Independent Shareholders which contains its advice to us in relation to the Master Leasing Agreement as set out in the Circular.

Having considered the principal factors and reasons considered by, and the opinion of, CIMB-GK as set out in its letter of advice, we consider the terms and conditions of the Master Leasing Agreement to be fair and reasonable so far as the interests of the Independent Shareholders are concerned and that the Master Leasing Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution approving the Master Leasing Agreement and the transactions contemplated thereunder to be proposed at the EGM.

Yours faithfully

Independent Board Committee

**Cheng Wai-chee, Christopher,**

**Tien Pei-chun, James and Lee Luen-wai, John**

## LETTER FROM CIMB-GK

*The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from CIMB-GK in respect of the Master Leasing Agreement, prepared for the purpose of incorporation into this circular.*



25th Floor, Central Tower  
28 Queen's Road Central  
Hong Kong

12 June 2009

*To the Independent Board Committee and the Independent Shareholders of  
New World China Land Limited*

Dear Sirs/Madams,

### **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE MASTER LEASING AGREEMENT**

#### **INTRODUCTION**

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the continuing connected transactions (the “**Continuing Connected Transactions**”) contemplated under the Master Leasing Agreement, details of which are set out in the letter from the Board (the “**Letter from the Board**”) as contained in the circular of the Company to the Shareholders dated 12 June 2009 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

The Continuing Connected Transactions involve the leasing of the Premises by the Group to the NWDS Group for a term of three years commencing from 1 July 2009 to 30 June 2012.

As at the Latest Practicable Date, NWD held an approximately 72% attributable interest in the issued share capital of NWDS, and therefore NWDS is an associate of NWD under the Listing Rules. In addition, given that NWD held an approximately 70% attributable interest in the issued share capital of the Company as at the Latest Practicable Date, NWDS is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Master Leasing Agreement constitute continuing connected transactions of the Company under the Listing Rules. Given that one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the maximum annual rental and management fees expected to be payable by the NWDS Group to the Group for leasing the Premises exceeds 2.5%, the Master Leasing Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements and the Independent Shareholders' approval at the EGM under the Listing Rules.

NWD and its associates will abstain from voting in relation to the resolution to approve the Master Leasing Agreement and the transactions contemplated thereunder.

## LETTER FROM CIMB-GK

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Cheng Wai-chee, Christopher, Mr. Tien Pei-chun, James and Mr. Lee Luen-wai, John, has been formed to advise the Independent Shareholders in relation to the Master Leasing Agreement and the transactions contemplated thereunder.

Our role, as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Master Leasing Agreement and the transactions contemplated thereunder, is to (i) provide the Independent Board Committee and the Independent Shareholders an independent opinion and recommendation as to whether (a) the entering into of the Master Leasing Agreement is in the interests of the Group and the Independent Shareholders as a whole and the Continuing Connected Transactions fall within the ordinary and usual course of business of the Group; (b) the terms of the Master Leasing Agreement are on normal commercial terms and fair and reasonable so far as the Company and the Independent Shareholders are concerned; and (c) the Proposed Annual Caps (as defined below) are fair and reasonable so far as the Company and the Independent Shareholders are concerned; and (ii) advise the Independent Shareholders on how to vote at the EGM.

### **BASIS OF OUR OPINION**

In formulating our recommendation, we consider that we have reviewed sufficient and relevant information and documents and have taken reasonable steps as required under Rule 13.80 of the Listing Rules including the notes thereto to reach an informed view, to justify reliance on the information contained in the Circular and to provide a reasonable basis for our recommendation. We have relied on the information and facts contained or referred to in the Circular as well as the representations made or provided by the Directors and the management of the Company. The Directors have declared in a responsibility statement set out in the Appendix II to the Circular that they jointly and severally accept full responsibility for the accuracy of the information contained and representations made in the Circular. We have also assumed that the information and the Directors' representations contained or referred to in the Circular were true and accurate at the time they were made and continue to be so up to the date of the EGM. We have not, however, conducted an independent verification of the information and representations nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company, NWDSI, NWDS, or any of their respective subsidiaries or associates. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided and represented to us by the Company. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

## LETTER FROM CIMB-GK

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in relation to the Master Leasing Agreement and the transactions contemplated thereunder, we have considered the following principal factors and reasons:

#### **(I) Background, reasons for and benefits of entering into of the Master Leasing Agreement**

It was announced by the Company on 22 May 2009 that on the even date, the Company, NWDSI and NWDS entered into the Master Leasing Agreement with a term of three years commencing from 1 July 2009 to 30 June 2012, pursuant to which the Company agrees to lease or procure the leasing of the Premises to the NWDS Group and NWDS agrees to lease or procure the leasing of the Premises from the Group, subject to the terms and conditions of the Master Leasing Agreement.

Based on our review of those existing major Leasing Agreements entered into between the Group and the NWDSI Group and our discussion with the management of the Company, we understand that the Group has been leasing certain Premises to members of the NWDSI Group pursuant to the First Master Leasing Agreement, which was duly approved by the independent shareholders of the Company at the extraordinary general meeting of the Company held on 11 April 2007, details of which are set out in the announcement and the circular of the Company dated 1 March 2007 and 21 March 2007, respectively, and the previously approved maximum transaction amounts under the First Master Leasing Agreement were set for three financial years ending 30 June 2009.

Given that the leasing of the Premises by the Group to the NWDS Group is conducted and will continue to be conducted on a regular and continuing basis, we concur with the view of the Directors that it is impracticable for the Company to seek the Independent Shareholders' approval each time the relevant leasing agreement is entered into between the Group and the NWDS Group. In addition, considering the facts that (i) the leases granted to the NWDSI Group pursuant to the terms of the respective Leasing Agreements governed by the First Master Leasing Agreement will continue to be operative after 30 June 2009 and new Premises may be leased by the Group to the NWDS Group in the future; and (ii) the annual cap under the First Master Leasing Agreement will expire on 30 June 2009, we consider it reasonable for the Company to renew annual cap of such continuing connected transactions for further three years by entering into the Master Leasing Agreement, which, as agreed by NWDSI and the Company, will replace the First Master Leasing Agreement to regulate the future possible business relationship between the parties upon the Master Leasing Agreement becoming effective.

In addition, we note from the annual report of the Group for the financial year ended 30 June 2008 that the Group is principally engaged in investment and development of property projects in the PRC and, as advised by the Company, the Company focuses on mid-size to large scale quality developments to capture the growing demand for residential, retail as well as commercial properties in the PRC and to capitalise on the healthy economic growth of major cities in the PRC.



## LETTER FROM CIMB-GK

Having considered the above, we consider that the Continuing Connected Transactions fall within the ordinary and usual course of business of the Group and would benefit the Group by expanding its revenue base and hence the entering into of the Master Leasing Agreement is in the interests of the Group and the Independent Shareholders as a whole.

### **(II) Major terms of the Master Leasing Agreement**

#### *Leasing*

The Master Leasing Agreement stipulates that:

- (1) in respect of the Leasing Agreements which have not expired as at 1 July 2009 and details of which are set out in the Letter from the Board, the Company agrees to continue to lease or procure the leasing (as the case may be) to the NWDS Group, and NWDS agrees to continue to lease or procure the leasing (as the case may be) from the Group, the respective Premises in accordance with the terms of the relevant Leasing Agreements notwithstanding the terms of the Master Leasing Agreement;
- (2) save for the Leasing Agreements, the Company agrees to lease the Premises (at the request of and as specified by the NWDS Group) through itself and/or any member of the Group to the NWDS Group in accordance with the terms and conditions of the Master Leasing Agreement subject to the subsequent agreement of the terms and conditions by the parties thereto in relation to each particular Premises which shall be recorded in writing in the form of a leasing agreement, on normal commercial terms or on terms no more favourable than those available to independent third parties; and
- (3) the leasing of the Premises by the Group to the NWDS Group is on a non-exclusive basis.

In addition, NWDSI and the Company agree to terminate the First Master Leasing Agreement upon the Master Leasing Agreement becoming effective.

#### *Rental and management fees*

The Master Leasing Agreement stipulates that the rental and management fees for each of the Premises to be leased by any member of the NWDS Group from the Group during the term of the Master Leasing Agreement shall be determined by the parties thereto in writing on the basis that as if such Premises are leased to independent third parties in the ordinary course of business of the Group.

The maximum annual aggregate rental and management fees expected to be payable by the NWDS Group to the Group in connection with the Premises leased and to be leased by the NWDS Group shall not exceed the Proposed Annual Caps (as defined and analysed in the section headed "Proposed maximum annual rental values" below).

## LETTER FROM CIMB-GK

We have compared rentals stipulated in the major Leasing Agreements, the contracted annual rental and management fees of which constitute a significant part of the Proposed Annual Caps, with those of comparable property leasing transactions in the locality, the information of which is provided by an independent valuer. Based on our comparison, we note that the rentals stipulated in the major Leasing Agreements are within the range of those comparable leasing transactions.

In addition, based on our review of the Leasing Agreements, we note that, besides in the form of fixed rental, rentals stipulated in certain Leasing Agreements are determined by or with reference to sales revenue of relevant tenants of the leased properties. We have discussed with the management of the Company in relation thereto and understand that it is a common practice in the property lease market to determine rentals of properties for retail purpose with reference to sales revenue generated by tenants and such pricing mechanism is believed to improve lessors' rental yield by allowing them to capture upside growth, if any, of businesses of the tenants.

### *Our view*

Having considered the above, we concur with the view of the management of the Company that the major terms of the Master Leasing Agreement are on normal commercial terms and fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Group and the Independent Shareholders as a whole.

### **(III) Proposed maximum annual rental values (the "Proposed Annual Caps")**

As stipulated in the Master Leasing Agreement and as stated in the Letter from the Board, the maximum aggregate rental and management fees expected to be payable by the NWDS Group to the Group per annum in connection with the Premises leased and to be leased by the NWDS Group shall not exceed the Proposed Annual Caps.

Set out below are the details of (i) the historical transaction amounts paid by the NWDSI Group to the Group in relation to the continuing connected transactions governed by the First Master Leasing Agreement for each of the two financial years ended 30 June 2008 and the nine months ended 31 March 2009; and (ii) the Proposed Annual Caps for each of the three financial years ending 30 June 2012:

	Historical transaction amounts			Existing annual cap amounts for the financial year ending	Proposed Annual Caps for the financial year ending 30 June		
	For the financial year ended 30 June	For the nine months ended 31 March	For the nine months ended 31 March	30 June	2010	2011	2012
	2007	2008	2009	2009	2010	2011	2012
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Rental and management fees	<u>57,530,000</u>	<u>88,336,000</u>	<u>56,553,000</u>	<u>103,000,000</u>	<u>110,000,000</u>	<u>156,000,000</u>	<u>168,000,000</u>

## LETTER FROM CIMB-GK

As stated in the Letter from the Board, the Directors have determined the Proposed Annual Caps for each of the three financial years ending 30 June 2012 after taking into account the following factors:

- (a) the prevailing and forecasted retail market conditions in the PRC;
- (b) the total rental and management fees paid and payable by the NWDSI Group to the Group under the First Master Leasing Agreement; and
- (c) the estimated rental and management fees payable by the NWDS Group with respect to the leasing of new Premises from the Group for new department stores expected to be opened by the NWDS Group.

We note that the Proposed Annual Caps for each of the three financial years ending 30 June 2012 represent a significant increase as compared with the historical transaction amounts for each of the two financial years ended 30 June 2008 as well as the nine months ended 31 March 2009 on a pro rata basis.

In assessing the reasonableness of the Proposed Annual Caps, we have discussed with the management of the Company in relation thereto, and reviewed the calculation of the Proposed Annual Caps provided by the Company and the relevant leasing agreements.

Based on our discussion and review, we understand that the Proposed Annual Caps are determined by the Company based on (i) the rental and/or management fees payable by the NWDS Group to the Group in the situations where fixed rental and/or management fees are stipulated in the Leasing Agreements; (ii) the estimates of sales revenue to be generated by those tenants for each of the three years ending 30 June 2012 in the situations where rentals are stipulated in the Leasing Agreements to be determined based on or by reference to a percentage of sales revenue of tenants over the term of the Master Leasing Agreement; (iii) the Group's prospective leasing of premises, the construction of which are expected by the Group to be completed over the term of the Master Leasing Agreement, to the NWDS Group over the term of the Master Leasing Agreement; (iv) the Company's perspective on the retail market and the property market in the PRC; and (v) a buffer of 15% in consideration of the possibility of fluctuation in the above mentioned sales revenue of tenants.

Having considered the above, we are of the view that the basis adopted by the management of the Company in determining the Proposed Annual Caps is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

However, the Shareholders should note that the Proposed Annual Caps relate to future events and do not represent a forecast of transaction amounts receivable as a result of the Continuing Connected Transactions. Consequently, we express no opinion as to how closely the actual transaction amounts of the Continuing Connected Transactions correspond with the Proposed Annual Caps as discussed above.

## LETTER FROM CIMB-GK

### **(IV) Requirements of the Listing Rules**

As required by Rules 14A.37 and 14A.38 of the Listing Rules, respectively, for each financial year of the Company over the term of the Master Leasing Agreement, the Continuing Connected Transactions will be subject to the annual review by the independent non-executive Directors and the Company's auditors.

In particular, the independent non-executive Directors must confirm that the Continuing Connected Transactions have been entered into:

- in the ordinary and usual course of business of the Company;
- either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
- in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Furthermore, the Company's auditors must provide a letter to the Board confirming that the Continuing Connected Transactions:

- have received the approval of the Board;
- are in accordance with the pricing policies of the Company if the transactions involve provision of goods or services by the Company; and
- have been entered into in accordance with the relevant agreement governing the transactions.

The Company's independent non-executive Directors and the auditors have provided their respective confirmations pursuant to the Listing Rules in respect of the continuing connected transactions of the Company as contemplated under the First Master Leasing Agreement for each of the two financial years ended 30 June 2008, details of which are contained in the annual reports of the Company for the relevant financial year.

Given the above, we are of the opinion that there exist sufficient procedures and arrangements in place to ensure that the Continuing Connected Transactions will be conducted on terms pursuant to the Master Leasing Agreement.

### **RECOMMENDATION**

Having considered the principal factors above, we are of the opinion that (i) the entering into of the Master Leasing Agreement is in the interests of the Group and the Independent Shareholders as a whole and the Continuing Connected Transactions fall within the ordinary and usual course of business of the Group; (ii) the terms of the Master Leasing Agreement are on normal commercial terms and fair

**LETTER FROM CIMB-GK**

and reasonable so far as the Company and the Independent Shareholders are concerned; and (iii) the Proposed Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

Therefore, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the entering into of the Master Leasing Agreement and the transactions contemplated thereunder and the Proposed Annual Caps.

Yours faithfully,

For and on behalf of

**CIMB-GK Securities (HK) Limited**

**Alex Lau**

*Director*

*Head of Corporate Finance*

**Heidi Cheng**

*Director*

The proposed amendments to the Memorandum and Articles of Association are set out as follows:

*Amendments to the Memorandum*

**Heading on page 1, and paragraphs 4, 6 and 7 of the Memorandum**

The phrase “Companies Law (1998 Revision)” in the heading on page 1, and in paragraphs 4, 6 and 7 of the Memorandum is proposed to be deleted and to be replaced with “Companies Law (2007 Revision)”.

*Amendments to the Articles of Association*

**Heading of the Articles of Association**

The phrase “Companies Law (2004 Revision)” in the heading on page 1 of the Articles of Association is proposed to be deleted and to be replaced with “Companies Law (2007 Revision)”.

**Article 2**

(a) The following contents are proposed to be added to Article 2:

Corporate Communication	“Corporate Communication” means any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to: (a) the directors’ report, its annual accounts together with a copy of the auditor’s report, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form, within the meaning ascribed thereto under the Listing Rules;
electronic	“electronic” shall have the meaning given to it in the Electronic Transactions Law;
Electronic Transactions Law	“Electronic Transactions Law” means the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
electronic means	“electronic means” includes sending or otherwise making available to the intended recipients of the communication in electronic format;
Electronic Signature	“Electronic Signature” means an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;

published on the  
Exchange's website

“published on the Exchange’s website” means published in English and Chinese on the Exchange’s website in accordance with the Listing Rules;

Section 8 of the  
Electronic  
Transactions Law

Section 8 of the Electronic Transactions Law shall not apply;

- (b) The phrase “(2004 Revision)” in the definition of “the Companies Law/the Law” in Article 2 is proposed to be deleted and to be replaced with the phrase “(2007 Revision)”

#### **Article 15**

Article 15(c) is proposed to be deleted in its entirety and to be replaced with the following:

- “(c) The register may, on the Company giving at least 14 days’ notice published on the Exchange’s website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of this Article with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed.”

#### **Article 28**

Article 28 is proposed to be deleted in its entirety and to be replaced with the following:

- “Notice of call may be served by electronic means or published in newspapers
28. In addition to the giving of notice in accordance with Article 26, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members affected by notice published on the Exchange’s website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers.”

**Article 44**

Article 44 is proposed to be deleted in its entirety and to be replaced with the following:

“The registration of transfers may, on the Company giving at least 14 days’ notice by advertisement published on the Exchange’s website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be suspended and the register may, subject to the requirements in Article 15(d), be closed at such times for such periods as the Board may from time to time determine, provided always that such registration shall not be suspended or the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).”

**Article 167**

Article 167 (a) is proposed to be deleted in its entirety and to be replaced with the following:

“Except as otherwise provided in these Articles, any Corporate Communication may be served by the Company or by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means, including but not limited to electronic mail number or address or website supplied by the member to the Company or by making it available for examination by the member using electronic means, including the posting of such notice or document on the Company’s websites or web pages, provided that if any such notice or document is to be sent or made available to any member by using electronic means, the Company and the Board must first have received from the relevant member (a) a written confirmation or (b) the member’s deemed consent, in the manner specified in the Listing Rules that the member wants to receive or to have made available to him such notice or document by the electronic means that the Company and the Board have suggested or (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.”

**Article 168**

Article 168 is proposed to be deleted in its entirety and to be replaced with the following:

“A member shall be entitled to have notice served on him at any address within Hong Kong. The Company shall give notice sufficient to enable members, whose registered addresses are in Hong Kong, to exercise their rights or comply with the terms of the notice. Any member who has not given an express positive confirmation in writing to the Company or is not deemed to have given an express confirmation in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to



be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the transfer office and shall have remained there for a period of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article 168 shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.”

**Article 169**

The following contents are proposed to be added at the end of Article 169:

“Any notice or document sent or made available by using electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Listing Rules or any applicable laws or regulations.”

**Article 173**

Article 173 is proposed to be deleted in its entirety and to be replaced with the following:

“The signature to any notice to be given by the Company may be written or printed by means of facsimile or, where relevant, by Electronic Signature.”

## 1. 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 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 in this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### Directors and chief executives of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning 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 is taken or deemed 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 under section 352 of the SFO or which were 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 in the Listing Rules, were as follows:

### (I) *Interests and short positions in the Shares, underlying Shares and debentures of the Company*

#### (a) *Long positions in issued Shares*

Name of Director	Number of Shares			Total	Percentage to the issued share capital as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests		
Dr. Cheng Kar-shun, Henry	12,500,000	1,950,000	52,271,200 <sup>(1)</sup>	66,721,200	1.74
Mr. Doo Wai-hoi, William	8,750,000	—	69,010,000 <sup>(2)</sup>	77,760,000	2.03
Mr. Leung Chi-kin, Stewart	500,000	—	—	500,000	0.01
Mr. Chow Yu-chun, Alexander	6,550,000	—	—	6,550,000	0.17
Mr. Chow Kwai-cheung	650,126	—	—	650,126	0.02
Mr. Fong Shing-kwong, Michael	1,403,500	—	—	1,403,500	0.04
Ms. Ngan Man-ying, Lynda	100,000	—	—	100,000	0.003

*Notes:*

- (1) These Shares are beneficially-owned by a company wholly-owned by Dr. Cheng Kar-shun, Henry.
- (2) These Shares are beneficially-owned by companies wholly-owned by Mr. Doo Wai-hoi, William.

(b) *Long positions in underlying Shares*

Under the share option scheme of the Company adopted on 26 November 2002, share options were granted to the undermentioned Directors which entitle them to subscribe for Shares and accordingly they are regarded as interested in the underlying Shares. Details of the share options held by them as at the Latest Practicable Date are as follows:

Name of Director	Date of grant	Exercisable period	Number of share options	Exercise price per Share HK\$
Dr. Cheng Kar-shun, Henry	7 January 2008	(1)	2,000,000	6.972
	29 December 2008	(2)	1,600,000	1.500
Mr. Doo Wai-hoi, William	7 January 2008	(1)	800,000	6.972
	29 December 2008	(2)	650,000	1.500
Mr. Cheng Kar-shing, Peter	7 January 2008	(1)	800,000	6.972
	29 December 2008	(2)	650,000	1.500
Mr. Cheng Chi-kong, Adrian	25 July 2006	(3)	331,600	2.865
	7 January 2008	(1)	1,500,000	6.972
Mr. Leung Chi-kin, Stewart	29 December 2008	(2)	1,200,000	1.500
	7 January 2008	(1)	200,000	6.972
Mr. Chow Kwai-cheung	29 December 2008	(2)	150,000	1.500
	7 January 2008	(1)	200,000	6.972
Mr. Chow Yu-chun, Alexander	29 December 2008	(2)	150,000	1.500
	7 January 2008	(1)	500,000	6.972
Mr. Fong Shing-kwong, Michael	29 December 2008	(2)	500,000	1.500
	7 January 2008	(1)	500,000	6.972
Ms. Ngan Man-ying, Lynda	29 December 2008	(4)	112,500	1.500
	7 January 2008	(1)	1,000,000	6.972
Mr. Fu Sze-shing	29 December 2008	(2)	900,000	1.500
	7 January 2008	(1)	200,000	6.972
Mr. Cheng Wai-chee, Christopher	29 December 2008	(2)	150,000	1.500
	7 January 2008	(1)	300,000	6.972
Mr. Tien Pei-chun, James	29 December 2008	(2)	300,000	1.500
	7 January 2008	(1)	300,000	6.972
Mr. Lee Luen-wai, John	29 December 2008	(2)	300,000	1.500
	7 January 2008	(1)	300,000	6.972
	29 December 2008	(2)	300,000	1.500

*Notes:*

- (1) Divided into 3 tranches, exercisable from 8 February 2008, 8 February 2009 and 8 February 2010, respectively to 7 February 2011.
- (2) Divided into 4 tranches, exercisable from 30 January 2009, 30 January 2010, 30 January 2011 and 30 January 2012, respectively to 29 January 2013.
- (3) Divided into 5 tranches, exercisable from 26 August 2006, 26 August 2007, 26 August 2008, 26 August 2009 and 26 August 2010, respectively to 25 August 2011.
- (4) Divided into 3 tranches, exercisable from 30 January 2010, 30 January 2011 and 30 January 2012, respectively to 29 January 2013.

(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				Percentage to the relevant issued/registered capital as at Latest Practicable Date
	Personal interests	Family interests	Corporate interests	Total	
<b>NWD</b>					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-shun, Henry	—	300,000	—	300,000	0.008
Mr. Doo Wai-hoi, William	—	—	1,000,000 <sup>(1)</sup>	1,000,000	0.026
Mr. Leung Chi-kin, Stewart	134,538	—	—	134,538	0.003
Mr. Chow Kwai-cheung	54,567	—	—	54,567	0.001
Mr. Fong Shing-kwong, Michael	206,033	—	—	206,033	0.005
<b>NWS Holdings Limited</b>					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-shun, Henry	9,179,199	—	8,000,000 <sup>(2)</sup>	17,179,199	0.84
Mr. Doo Wai-hoi, William	2,006,566	—	9,130,000 <sup>(1)</sup>	11,136,566	0.54
Mr. Cheng Kar-shing, Peter	201,025	—	2,967,575 <sup>(3)</sup>	3,168,600	0.15
Mr. Leung Chi-kin, Stewart	2,202,351	—	—	2,202,351	0.11
Mr. Chow Kwai-cheung	217,887	—	—	217,887	0.01
Mr. Fong Shing-kwong, Michael	1,620,707	—	—	1,620,707	0.08
Mr. Cheng Wai-chee, Christopher	762,337	—	—	762,337	0.04
<b>NWDS</b>					
(Ordinary shares of HK\$0.10 each)					
Mr. Cheng Chi-kong, Adrian	—	—	1,107,000 <sup>(4)</sup>	1,107,000	0.07
Mr. Chow Yu-chun, Alexander	268,000	—	—	268,000	0.02
<b>Dragon Fortune Limited</b>					
(Ordinary shares of US\$1.00 each)					
Mr. Cheng Kar-shing, Peter	—	—	15,869 <sup>(5)</sup>	15,869	27.41
<b>Guangzhou Ronghe Real Estate Co., Ltd.</b>					
(Registered capital in RMB)					
Mr. Fu Sze-shing	—	—	4,666,500 <sup>(6)</sup>	4,666,500	5.00
<b>Mega Choice Holdings Limited</b>					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-shun, Henry	—	—	3,710 <sup>(2)</sup>	3,710	34.61

	Number of shares/amount of registered capital				Percentage to the relevant issued/registered capital as at Latest Practicable Date
	Personal interests	Family interests	Corporate interests	Total	
<b>Shanghai Juyi Real Estate Development Co., Ltd.</b>					
(Registered capital in RMB)					
Mr. Doo Wai-hoi, William	—	—	1,165,000,000 <sup>(1)</sup>	1,165,000,000	100.00
<b>Shanghai Trio Property Development Co., Ltd.</b>					
(Registered capital in US\$)					
Mr. Doo Wai-hoi, William	—	—	42,525,000 <sup>(7)</sup>	42,525,000	52.50
<b>Sun City Holdings Limited</b>					
(Ordinary shares of HK\$1.00 each)					
Mr. Cheng Kar-shing, Peter	—	80,000	3,570,000 <sup>(8)</sup>	3,650,000	45.63
<b>Sun Legend Investments Limited</b>					
(Ordinary shares of HK\$1.00 each)					
Mr. Cheng Kar-shing, Peter	—	—	500 <sup>(9)</sup>	500	50.00
<b>Taifook Securities Group Limited</b>					
(Ordinary shares of HK\$0.10 each)					
Mr. Doo Wai-hoi, William	—	—	5,000,000 <sup>(1)</sup>	5,000,000	0.71
<b>YE Holdings Corporation</b>					
(Ordinary shares of HK\$1.00 each)					
Mr. Leung Chi-kin, Stewart	37,500	—	—	37,500	1.50

*Notes:*

- (1) These interests are beneficially-owned by companies wholly-owned by Mr. Doo Wai-hoi, William.
- (2) These shares are beneficially-owned by companies wholly-owned by Dr. Cheng Kar-shun, Henry.
- (3) These shares are beneficially-owned by a company wholly-owned by Mr. Cheng Kar-shing, Peter.
- (4) These shares are beneficially-owned by a company wholly-owned by Mr. Cheng Chi-kong, Adrian.
- (5) 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.
- (6) The interest is beneficially-owned by a company of which Mr. Fu Sze-shing has 50% interest.

- (7) The interest is beneficially-owned by a company wholly-owned by Mr. Doo Wai-hoi, William who has contracted to sell these interest under an agreement subject to completion of all conditions contained therein.
- (8) These shares are held by a company of which Mr. Cheng Kar-shing, Peter owns an indirect interest of 49.58%.
- (9) Mr. Cheng Kar-shing, Peter is deemed to be interested in these shares by virtue of his interests in Sun City.
- (b) *Long positions in underlying shares in the associated corporations of the Company*
- (i) NWD

Under the share option scheme of the holding company, NWD, the following Directors have personal interests in share options to subscribe for shares in NWD and are accordingly regarded as interested in the underlying shares of NWD. Details of the share options of NWD held by them as at the Latest Practicable Date are as follows:

Name of Director	Date of grant	Exercisable period	Number of share options	Exercise price per Share HK\$
Dr. Cheng Kar-shun, Henry	19 March 2007	(1)	36,701,279	17.659
Mr. Cheng Kar-shing, Peter	19 March 2007	(1)	201,102	17.659
		(2)	1,206,617	17.659
Mr. Cheng Chi-kong, Adrian	19 March 2007	(2)	502,757	17.659
Mr. Leung Chi-kin, Stewart	19 March 2007	(1)	35,695,764	17.659
Mr. Chow Kwai-cheung	19 March 2007	(2)	1,206,617	17.659
Mr. Chow Yu-chun, Alexander	19 March 2007	(2)	1,508,271	17.659
Mr. Fong Shing-kwong, Michael	19 March 2007	(3)	603,308	17.659
Mr. Fu Sze-shing	19 March 2007	(2)	754,135	17.659
Mr. Lee Luen-wai, John	19 March 2007	(1)	301,654	17.659

*Notes:*

- (1) Exercisable from 19 March 2007 to 18 March 2012.
- (2) Divided into 5 tranches exercisable from 19 March 2007, 19 March 2008, 19 March 2009, 19 March 2010 and 19 March 2011, respectively to 18 March 2012.
- (3) Divided into 3 tranches exercisable from 19 March 2009, 19 March 2010 and 19 March 2011, respectively to 18 March 2012.

## (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 held by them as at the Latest Practicable Date are as follows:

Name of Director	Date of grant	Exercisable period	Number of share options	Exercise price per Share HK\$
Dr. Cheng Kar-shun, Henry	21 August 2007	(1)	1,200,511	16.193
		(2)	1,800,766	16.193
Mr. Doo Wai-hoi, William	21 August 2007	(1)	800,340	16.193
		(2)	1,200,511	16.193
Mr. Cheng Wai-chee, Christopher	21 August 2007	(1)	240,102	16.193
		(2)	360,153	16.193

*Notes:*

- (1) Exercisable from 21 August 2008 to 20 August 2012.
- (2) Divided into 3 tranches exercisable from 21 August 2009, 21 August 2010 and 21 August 2011, respectively to 20 August 2012.

## (iii) NWDS

Under the share option scheme of NWDS, the following Directors have personal interests in share options to subscribe for shares in NWDS and are accordingly regarded as interested in the underlying shares of NWDS. Details of the share options of NWDS held by them as at the Latest Practicable Date are as follows:

Name of Director	Date of grant	Exercisable period	Number of share options	Exercise price per Share HK\$
Dr. Cheng Kar-shun, Henry	27 November 2007	(note)	1,000,000	8.660
Mr. Cheng Chi-kong, Adrian	27 November 2007	(note)	500,000	8.660
Ms. Ngan Man-ying, Lynda	27 November 2007	(note)	500,000	8.660

*Note:* Divided into 5 tranches exercisable from 27 November 2008, 27 November 2009, 27 November 2010, 27 November 2011 and 27 November 2012, respectively to 26 November 2013, provided that the maximum number of share options that can be exercised during each anniversary year is 20% of the total number of share options granted together with any unexercised share options carried forward from the previous anniversary years.

(c) *Long positions in debentures*

The following Directors have interest in the debentures issued by New World China Land Finance Limited (“NWCLF”), a wholly-owned subsidiary of the Company, Details of the debentures of NWCLF held by them as at the Latest Practicable Date are as follows:

Name of Director	Number of debentures in RMB issued by NWCLF				Percentage to the total debentures in issue as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests	Total	
Mr. Doo Wai-hoi, William	10,000,000 <sup>(1)</sup>	36,000,000 <sup>(2)</sup>	87,700,000 <sup>(3)</sup>	133,700,000	5.24
Mr. Cheng Chi-kong, Adrian	—	—	2,000,000 <sup>(4)</sup>	2,000,000	0.08

*Notes:*

- (1) These debentures are convertible into 1,300,172 Shares, representing 0.03% of the Company’s issued share capital as at the Latest Practicable Date for the period from 26 June 2007 to 26 May 2012.
- (2) These debentures are convertible into 4,680,619 Shares, representing 0.12% of the Company’s issued share capital as at the Latest Practicable Date, for the period from 26 June 2007 to 26 May 2012, which are beneficially held by a company owned by the spouse of Mr. Doo Wai-hoi, William.
- (3) These debentures are convertible into 11,402,509 Shares, representing 0.30% of the Company’s issued share capital as at the Latest Practicable Date, for the period from 26 June 2007 to 26 May 2012, which are beneficially held by companies wholly-owned by Mr. Doo Wai-hoi, William.
- (4) These debentures are convertible into 260,034 Shares, representing 0.01% of the Company’s issued share capital as at the Latest Practicable Date, for the period from 26 June 2007 to 26 May 2012, which are beneficially held by a company wholly-owned by Mr. Cheng Chi-kong, Adrian.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and 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 or short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.



**(III) Directors' interests in competing business**

As at the Latest Practicable Date, according to the Listing Rules, the following Directors had interests in the following businesses (“Competing Businesses”) which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group other than those business where the Directors were appointed as directors to represent the interests of the Company and/or the Group pursuant to the Listing Rules:

<b>Name of Director</b>	<b>Name of entity which businesses are considered to compete or likely to compete with the business of the Group</b>	<b>Description of businesses of the entity which are considered to compete or likely to compete with the business of the Group</b>	<b>Nature of interest of the Director in the entity</b>
Dr. Cheng Kar-shun, Henry	Chow Tai Fook Enterprises Limited (“CTF”) group of companies	Property investment and development, hotel operations and transport	Director
	Hong Kong Jing-guang Development Limited	Hotel operations 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
	Wuhan New Eagle Development Co., Ltd.	Property investment in Wuhan	Director
	Wuxi Ramada Hotel Company Limited	Hotel operations in Wuxi	Director
Mr. Doo Wai-hoi, William	New Bei Fang Hotel Ltd. and its subsidiaries and associated companies	Property Investment	Director
Mr. Cheng Kar-shing, Peter	CTF group of companies	Property investment and development, hotel operations and transport	Director
	Qingyuan New World Housing Development Ltd.	Property development in Qingyuan	Director
	Wuhan New Eagle Development Co., Ltd.	Property investment in Wuhan	Director
Mr. Cheng Chi-kong, Adrian	Cheung Hung Development (Holdings) Limited	Property investment and development	Director
	CTF group of companies	Property investment and development, hotel operations and transport	Director
Mr. Chow Kwai-cheung	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

Name of Director	Name of entity which businesses are considered to compete or likely to compete with the business of the Group	Description of businesses of the entity which are considered to compete or likely to compete with the business of the Group	Nature of interest of the Director in the entity
Mr. Chow Yu-chun, Alexander	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 operations 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 investment in Wuhan	Director
Mr. Fong Shing-kwong, Michael	Beijing Jing Guang Centre Co., Ltd.	Hotel operations 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 operations in Xian	Director
	Wuxi New City Development Co., Ltd.	Hotel operations in Wuxi	Director
Ms. Ngan Man-ying, Lynda	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

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 the business of the Group.

The Company does not rely on nor transact with any of the Competing Businesses in the carrying on of the Company's business. The Directors are of the view that the Company is capable of carrying on its business independently of, and at arm's length from the Competing Businesses.

**(IV) Other Directors' interests**

Save as disclosed in the announcements of the Company dated 3 December 2008 and 30 April 2009, as at the Latest Practicable Date, none of the Directors had, or had had, any direct or indirect interest in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to any member of the Group respectively, since 30 June 2008, the date to which the latest published audited consolidated financial statements of the Group were made up.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as at the date of this circular which is significant to the business of the Group.

As at the Latest Practicable Date, the following Directors were also directors of the following companies, each of which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

<b>Name of Director</b>	<b>Name of substantial shareholder</b>
Dr. Cheng Kar-shun, Henry	Cheng Yu Tung Family (Holdings) Limited Centennial Success Limited Chow Tai Fook Enterprises Limited NWD
Mr. Cheng Kar-shing, Peter	Cheng Yu Tung Family (Holdings) Limited Centennial Success Limited Chow Tai Fook Enterprises Limited NWD
Mr. Cheng Chi-kong, Adrian	NWD
Mr. Leung Chi-kin, Stewart	NWD
Mr. Chow Kwai-cheung	NWD
Mr. Lee Luen-wai, John	NWD

**Substantial Shareholders of the Group**

- (a) As at the Latest Practicable Date, so far as the Directors are aware, each of the following persons, not being a Director or chief executive of the Company, had an interest in the Shares which falls to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO:

Long positions in issued Shares

Name	Number of Shares			Percentage to the issued share capital as at the Latest Practicable Date
	Beneficial interests	Corporate interests	Total	
Cheung Yu Tung Family (Holdings) Limited (“CYTF”) <sup>(1)</sup>	—	2,714,858,780	2,714,858,780	70.77
Centennial Success Limited (“CSL”) <sup>(1)</sup>	—	2,714,858,780	2,714,858,780	70.77
Chow Tai Fook Enterprises Limited (“CTF”) <sup>(2)</sup>	—	2,714,858,780	2,714,858,780	70.77
NWD <sup>(3)</sup>	2,537,632,731	177,226,049	2,714,858,780	70.77

*Notes:*

- (1) CYTF holds 51% interest in CSL which in turn holds the entire interests in CTF. Therefore, CYTF and CSL are deemed to have interests in the Shares in which CTF is deemed to be interested by virtue of its interests in NWD as mentioned in note 2 below.
- (2) CTF 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 in which NWD is interested or deemed to be interested.
- (3) The number of Shares held under the corporate interests of NWD includes 113,351,879 Shares held by Easywin Enterprises Corporation Limited, its 100% owned subsidiary, 22,508,064 Shares held by Great Worth Holdings Limited, its 59% owned subsidiary, and 41,366,106 Shares held by High Earnings Holdings Limited, its 57% owned subsidiary.

- (b) As at the Latest Practicable Date, so far as is known to the Directors or chief executives of the Company and save as otherwise disclosed in this circular, the persons (other than a Director or chief executive of the Company or his controlled corporations 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 member of the Group were as follows:

<b>Name of substantial shareholder</b>	<b>Name of subsidiary</b>	<b>Number of shares/ amount of equity interest held</b>
Dalian Commercial Network Construction and Development Company	Dalian New World Plaza International Co., Ltd.	RMB6,960,000 (12% of the equity interest)
Hing Pang Petroleum Chemicals (H.K.) Limited	Chengdu Xinyi Real Estate Development Co., Ltd.	US\$19,900,000 (20% of the equity interest)
Huamei Wealth (Beijing) International Property Investment Co., Ltd.	Beijing Dongfang Huamei Real Estate Development Co., Ltd.	RMB12,500,000 (25% of the equity interest)
Melbourne Enterprises Ltd.	Billion Park Investment Limited	142,900 shares (14.29% of the equity interest)
貴陽市南明區金水食府	Guiyang Jinyang Heng Tai Catering Investment Co., Ltd.	RMB1,000,000 (16.67% of the equity interest)
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development Limited	10% ( <i>note</i> )
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 2 Limited	10% ( <i>note</i> )
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 3 Limited	10% ( <i>note</i> )
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 4 Limited	10% ( <i>note</i> )
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 5 Limited	10% ( <i>note</i> )

Name of substantial shareholder	Name of subsidiary	Number of shares/ amount of equity interest held
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 6 Limited	10% (note)
Hainan Zhonghong Investments Company Limited	New World Zhonghong Property Co., Ltd.	RMB105,000,000 (30% of the equity interest)
成都深港石化有限公司	Chengdu Xinyi Real Estate Development Co., Ltd.	US\$19,900,000 (20% of the equity interest)
佛山市祥福房地產開發有限公司	Foshan Country Club Real Estate Development Limited	10% (note)
武漢市國營漢口漁場	Wuhan Xinhan Development Co., Ltd.	30% (note)
北京勵升豪廷房地產顧問有限公司	北京新世界商建房地產開發有限公司	RMB4,500,000 (15% of the equity interest)
北京商建房地產開發有限公司	北京新世界商建房地產開發有限公司	RMB3,000,000 (10% of the equity interest)

*Note:* Referred to as profit sharing ratio as set out in the relevant co-operative joint venture contracts.

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 or his controlled corporations or a member of the Group), who had an interest or short position in the Shares or underlying Shares 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 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 other member of the Group.

### 3. DIRECTORS' SERVICE CONTRACTS

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

#### 4. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, none of the Directors was aware of any material adverse change in the financial or trading position of the Group since 30 June 2008 (being the date to which the latest published audited financial statements of the Group were made up).

#### 5. EXPERT AND CONSENT

The following sets out the qualifications of the expert who has been named in this circular:

Name	Qualifications
CIMB-GK	a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO

CIMB-GK has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and report (as the case may be) and reference to its names, in the form and context in which its appear.

As at the Latest Practicable Date, CIMB-GK was not beneficially interested in the share capital of any member of the Group, nor did it has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it has any interest, either direct or indirect, in any assets which had since 30 June 2008 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group or which were proposed to be acquired or disposed of by or leased to any member of the Group.

#### 6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

#### 7. MISCELLANEOUS

- (a) The English text of this circular and the enclosed proxy form 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 and principal place of business of the Company is situated at 9th Floor, New World Tower 1, 18 Queen's Road Central, Hong Kong.
- (d) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (e) The secretary of the Company is Ms. Ngan Man-ying, Lynda, FCCA CPA.

**8. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours at the principal place of business in Hong Kong of the Company at 9th Floor, New World Tower 1, 18 Queen's Road Central, Hong Kong from the date of this circular up to and including the date of the EGM:

- (i) the letter from the Independent Board Committee, the text of which is set out on page 11 of this circular;
- (ii) the letter from CIMB-GK, the text of which is set out on pages 12 to 19 of this circular;
- (iii) the written consent referred to in paragraph 5 headed "Expert and Consent" of this appendix; and
- (iv) the Master Leasing Agreement.





**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: 917)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “Meeting”) of the shareholders of New World China Land Limited (the “Company”) will be held at Meeting Rooms S226–227 (Old Wing), Hong Kong Convention and Exhibition Centre, 1 Harbour Road, Wanchai, Hong Kong on Monday, 29 June 2009, at 10:15 a.m. for the following purposes:

**ORDINARY RESOLUTIONS**

To consider and, if thought fit, pass with or without modifications, the following resolutions as Ordinary Resolutions:

1. **“THAT,**
  - (a) the master leasing agreement dated 22 May 2009 entered into between the Company, New World Department Store China Limited and New World Department Store (Investment) Limited (the “Master Leasing Agreement”) (a copy of the Master Leasing Agreement marked “A” has been produced to the Meeting and signed by the chairman of the Meeting for the purpose of identification) relating to the leasing of premises from the Company and its subsidiaries to New World Department Store China Limited and its subsidiaries and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
  - (b) the maximum annual rental and management fees involved under the Master Leasing Agreement as set out in the circular be and are hereby approved, ratified and confirmed; and
  - (c) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things incidental to, ancillary to or in connection with the matters contemplated under the Master Leasing Agreement.”
2. **“THAT** the use of the Company’s own website for sending or supplying corporate communication to shareholders of the Company be and is hereby confirmed and approved.”

## SPECIAL RESOLUTIONS

To consider and, if thought fit, pass with or without modifications, the following resolutions as Special Resolutions:

3(A) “**THAT** the existing memorandum of association of the Company be and is hereby amended in the following manner:

By deleting the phrase “Companies Law (1998 Revision)” and substituting therefor “Companies Law (2007 Revision)” in the heading on page 1, and in paragraphs 4, 6 and 7 of the memorandum of association of the Company;”

3(B) “**THAT** the existing articles of association of the Company be and are hereby amended in the following manner:

(a) By deleting the phrase “Companies Law (2004 Revision)” and substituting therefor “Companies Law (2007 Revision)” in the heading on page 1 of the articles of association of the Company.”

(b) By adding the new entries in the following form to Article 2:

“Corporate Communication	“Corporate Communication” shall mean any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to: (a) the directors’ report, its annual accounts together with a copy of the auditor’s report, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form, within the meaning ascribed thereto under the Listing Rules;”
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“electronic	“electronic” shall have the meaning given to it in the Electronic Transactions Law;”
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“Electronic Transactions Law	“Electronic Transactions Law” means the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;”
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“electronic means	“electronic means” includes sending or otherwise making available to the intended recipients of the communication in electronic format;”
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“Electronic Signature	“Electronic Signature” shall mean an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;”
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“published on the Exchange’s website” shall mean published in English and Chinese on the Exchange’s website in accordance with the Listing Rules;”

“Section 8 of the Electronic Transactions Law shall not apply;”

(c) By deleting the phrase “(2004 Revision)” by replacing it with the phrase “(2007 Revision)” in the definition of “the Companies Law/the Law” in Article 2;

(d) By deleting the existing Article 15(c) in its entirety and replacing with the following:

“(c) The register may, on the Company giving at least 14 days’ notice published on the Exchange’s website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of this Article with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed.”

(e) By deleting the existing Article 28 in its entirety and replacing with the following:

“Notice of call may be served by electronic means or published in newspapers” 28. “In addition to the giving of notice in accordance with Article 26, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members affected by notice published on the Exchange’s website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers.”

(f) By deleting the existing Article 44 in its entirety and replacing by the following:

“The registration of transfers may, on the Company giving at least 14 days’ notice by advertisement published on the Exchange’s website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be suspended and the register may, subject to the requirements in Article 15(d), be closed at such times for such periods as the Board may from time to time

determine, provided always that such registration shall not be suspended or the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).”

- (g) By deleting the existing Article 167(a) in its entirety and replacing by the following:

“Except as otherwise provided in these Articles, any Corporate Communication may be served by the Company or by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means, including but not limited to electronic mail number or address or website supplied by the member to the Company or by making it available for examination by the member using electronic means, including the posting of such notice or document on the Company’s websites or web pages, provided that if any such notice or document is to be sent or made available to any member by using electronic means, the Company and the Board must first have received from the relevant member (a) a written confirmation or (b) the member’s deemed consent, in the manner specified in the Listing Rules that the member wants to receive or to have made available to him such notice or document by the electronic means that the Company and the Board have suggested or (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.”

- (h) By deleting the existing Article 168 in its entirety and replacing with the following:

“A member shall be entitled to have notice served on him at any address within Hong Kong. The Company shall give notice sufficient to enable members, whose registered addresses are in Hong Kong, to exercise their rights or comply with the terms of the notice. Any member who has not given an express positive confirmation in writing to the Company or is not deemed to have given an express confirmation in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the transfer office and shall have remained there for a period of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article 168 shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.”

- (i) By adding the following at the end of Article 169:

“Any notice or document sent or made available by using electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Listing Rules or any applicable laws or regulations.”

- (j) By deleting the existing Article 173 in its entirety and replacing with the following:

“The signature to any notice to be given by the Company may be written or printed by means of facsimile or, where relevant, by Electronic Signature.””

3(C) “**THAT** subject to the passing of Special Resolutions numbered 3(A) and 3(B) as set out in the notice convening this meeting, the memorandum and articles of association of the Company contained in the printed document, a copy of which has been produced to the meeting marked “B” and has been signed by the Chairman of the meeting for the purpose of identification, be and are hereby approved and adopted as the new memorandum and articles of association of the Company in substitution for the existing memorandum and articles of association of the Company.”

By order of the Board  
**New World China Land Limited**  
**Ngan Man-ying, Lynda**  
*Company Secretary*

Hong Kong, 12 June 2009

*Notes:*

1. A member entitled to attend and vote at the Meeting (or at any adjournment thereof) 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.
2. To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Hong Kong, not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Completion and return of the proxy will not preclude any member from attending and voting in person at the Meeting (or at any adjournment thereof).
3. In case of joint registered holders of any shares of the Company, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such shares of the Company as if he/she was solely entitled thereto, but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of such holders so present whose name stands first in the register of members of the Company in respect of such shares of the Company shall alone be entitled to vote in respect thereof.
4. A form of proxy for use at the Meeting is enclosed.
5. The resolutions as set out above will be determined by way of a poll.
6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
7. As at the date of this notice, the board of directors of the Company comprises: (1) Dr. Cheng Kar-shun, Henry, Mr. Doo Wai-hoi, William, Mr. Cheng Kar-shing, Peter, Mr. Cheng Chi-kong, Adrian, Mr. Leung Chi-kin, Stewart, Mr. Chow Kwai-cheung, Mr. Chow Yu-chun, Alexander, Mr. Fong Shing-kwong, Michael and Ms. Ngan Man-ying, Lynda as executive directors; (2) Mr. Fu Sze-shing as non-executive director and (3) Mr. Cheng Wai-chee, Christopher, Mr. Tien Pei-chun, James and Mr. Lee Luen-wai, John as independent non-executive directors.