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New World China Land Limited
新世界中國地產有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 0917)

DISCLOSEABLE AND CONNECTED TRANSACTION

**Cooperation Agreement relating to
Beijing Dongfang Huamei Real Estate Development Co., Ltd.**

AND

DISCLOSEABLE TRANSACTION

**Cooperation Agreement relating to
Chengdu Xinyi Real Estate Development Co., Ltd.**

**Independent Financial Adviser
to the Independent Board Committee
and the Independent Shareholders**

COMMERZBANK 

Commerzbank AG Hong Kong Branch

A letter from the Independent Board Committee in respect of the Beijing Huamei Cooperation Agreement is set out on page 19 of this circular. A letter from Commerzbank, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Beijing Huamei Cooperation Agreement, is set out on pages 20 to 25 of this circular.

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DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Beijing Huamei”	Beijing Dongfang Huamei Real Estate Development Co., Ltd.** (北京東方華美房地產開發有限公司), a company incorporated in the PRC on 24 February 2004 with limited liability and is directly owned as to 75% by Huamei Technology and 25% by Huamei International as at the date of this circular
“Beijing Huamei Cooperation Agreement”	the cooperation agreement dated 8 May 2006 entered into between NWDC, Huamei Technology, Huamei International, Mr. Zhang and Beijing Huamei in respect of the rights and obligations of their involvement in the Project
“Beijing Property”	the property situated in Yuzhuang Village, Gaoliying Town, Shunyi District, Beijing, the PRC (北京市順義區高麗營鎮于庄村), which is approximately 1590 mu in size
“Board”	the board of Directors
“Chengdu Property”	the property situated in Guangfu Village, Huayang Town, Shuangliu County, Chengdu City, the PRC (中國成都市雙流縣華陽鎮廣福村), with a total area of 950,004.75 sq. m.
“Chengdu Property Acquisition Agreement”	the agreement relating to the transfer of state-owned land use rights in respect of the Chengdu Property dated 27 January 2006 entered into between Chengdu Xinyi Development and the Bureau of Land Resources in Shuangliu County, Chengdu City, the PRC
“Chengdu Xinyi Cooperation Agreement”	the cooperation agreement dated 15 May 2006 entered into between NWCI, Chengdu Xinyi Investment, Chengdu Xinyi Development, the Company, Sichuan Zhongshihua and Hing Pang Petroleum in respect of the rights and obligations of their involvement in the development of the Chengdu Property
“Chengdu Xinyi Development”	Chengdu Xinyi Real Estate Development Co., Ltd.** (成都心怡房地產開發有限公司), a company incorporated in the PRC on 16 December 2001 with limited liability and was owned as to 60% by Chengdu Xinyi Investment, 20% by Hing Pang Petroleum and 20% by Sichuan Zhongshihua at the date of this circular

DEFINITIONS

“Chengdu Xinyi Investment”	Chengdu Xinyi Industrial Investment Co., Ltd.** (成都心怡投資實業有限公司), a sino-foreign joint venture company established under the laws of the PRC on 30 May 2001 with limited liability and was owned as to 60% by Hing Pang Petroleum and as to 40% by Sichuan Zhongshihua at the date of the Chengdu Xinyi Cooperation Agreement
“Chengdu Xinyi Property Management”	Chengdu Xinyi Property Management Co., Ltd.** (成都心怡物業管理有限公司), a company incorporated in the PRC with limited liability and was owned as to 70% by Chengdu Xinyi Development and as to 30% by Chengdu Xinyi Investment at the date of the Chengdu Xinyi Cooperation Agreement
“Commerzbank”	Commerzbank AG, acting through its Hong Kong branch, a licensed bank under the Banking Ordinance and an authorised financial institution under the SFO to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as set out in Schedule 5 to the SFO, and appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Beijing Huamei Cooperation Agreement
“Company”	New World China Land Limited, a company incorporated in the Cayman Islands with limited liability, the Shares are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate consideration of RMB500,000,000 (equivalent to approximately HK\$480,769,231) payable by NWCI to Chengdu Xinyi Investment in respect of the acquisition of 60% of the equity interest in Chengdu Xinyi Development from Chengdu Xinyi Investment by NWCI
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hing Pang Petroleum”	Hing Pang Petroleum Chemicals (H.K.) Limited (慶鵬石油化工(香港)有限公司), a company incorporated in Hong Kong with limited liability

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“Huamei International”	Huamei Wealth (Beijing) International Property Investment Co., Ltd.** (華美財富(北京)國際置業有限公司), a company incorporated in the PRC with limited liability
“Huamei Technology”	Huamei Wealth (Beijing) Technology Co., Ltd.** (華美財富(北京)科技有限公司), a company incorporated in the PRC with limited liability and is a wholly-owned subsidiary of NWDC
“Independent Board Committee”	an independent board committee of the Company comprising all the independent non-executive Directors, namely Mr. Cheng Wai-chee, Christopher, Mr. Tien Pei-chun, James and Mr. Lee Luen-wai, John
“Independent Shareholder(s)”	Shareholders other than persons who are required to abstain from voting on the resolution to approve the Beijing Huamei Cooperation Agreement under the Listing Rules
“Latest Practicable Date”	23 May 2006, being the latest practicable date prior to the printing of this circular for inclusion of certain information in this circular
“Level 1 Development Rights”	the rights to organise the acquisition, compensation for and settlement of the inhabitants, demolition of existing structures, levelling, construction of basic infrastructure in respect of a piece of land so as to meet the standards imposed by the relevant PRC authorities for the purpose of auction in public trading of the land use rights of such piece of land
“Level 2 Development Rights”	the land use rights of a piece of land, which are obtained through tender or auction in public trading, that entitle the owner of such rights to invest, develop and construct on a piece of land for the purpose of sale and/or lease
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Mr. Zhang”	Mr. Zhang Changqing, a citizen of the PRC
“Ms. Li”	Ms. Li Pingrong, a citizen of the PRC
“NWCI”	New World China Land Investments Company Limited (新世界(中國)地產投資有限公司), a company incorporated in the PRC and is a wholly-owned subsidiary 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 Stock Exchange and which is the controlling shareholder (as defined in the Listing Rules) of the Company
“NWDC”	New World Development (China) Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“Project”	the exploration of the Level 1 Development Rights and the diligent procurement of Level 2 Development Rights in relation to the Beijing Property
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company with a nominal value of HK\$0.10 each
“Shareholder(s)”	the holder(s) of the Share(s)
“Sichuan Zhongshihua”	Sichuan Zhongshihua Enterprise Co., Ltd.** (四川省中石化實業有限公司), a company incorporated in the PRC with limited liability
“sq. m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in sections 2 and 2B of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)

DEFINITIONS

“Transaction” the acquisition of 60% of the equity interest in Chengdu Xinyi Development by NWCI from Chengdu Xinyi Investment for the Consideration, and the disposal of 40% of the equity interest in Chengdu Xinyi Development by Chengdu Xinyi Investment equally to Sichuan Zhongshihua and Hing Pang Petroleum

*** the unofficial English transliterations or translations are for identification purposes only*

For the purpose of this circular, HK\$1.00 is equivalent to RMB1.04.

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: 0917)

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. 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

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:*

9/F., New World Tower 1

18 Queen's Road Central

Hong Kong

29 May 2006

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION

INTRODUCTION

Beijing Huamei Cooperation Agreement

On 8 May 2006, the Board announced that on 8 May 2006, NWDC and Huamei Technology, both wholly-owned subsidiaries of the Company, entered into the Beijing Huamei Cooperation Agreement with Huamei International, Mr. Zhang and Beijing Huamei for the purposes of governing the relationship between the parties to the Beijing Huamei Cooperation Agreement in respect of, among other things, their involvement in the Project.

LETTER FROM THE BOARD

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

As at the Latest Practicable Date, Beijing Huamei, a non wholly-owned subsidiary of the Company, is owned as to 75% and 25% by Huamei Technology and Huamei International, respectively. Huamei International is therefore a connected person of the Company under the Listing Rules. Accordingly, the Beijing Huamei Cooperation Agreement also constitutes a connected transaction for the Company under the Listing Rules. As each of the assets ratio and consideration ratio (both as defined in Rule 14.07 of the Listing Rules) is more than 2.5%, the Beijing Huamei Cooperation Agreement is subject to reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

Chengdu Xinyi Cooperation Agreement

On 15 May 2006, the Board announced that on 15 May 2006, NWCI and the Company entered into the Chengdu Xinyi Cooperation Agreement with Chengdu Xinyi Investment, Chengdu Xinyi Development, Sichuan Zhongshihua and Hing Pang Petroleum for the purposes of governing the relationship between the parties to the Chengdu Xinyi Cooperation Agreement in respect of, among other things, their involvement in the development of the Chengdu Property.

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

Purposes of this circular

The purposes of this circular are to provide you with details of the Beijing Huamei Cooperation Agreement and the Chengdu Xinyi Cooperation Agreement, to set out the advice of the Independent Board Committee in respect of the Beijing Huamei Cooperation Agreement and to set out the letter of advice from Commerzbank to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Beijing Huamei Cooperation Agreement.

LETTER FROM THE BOARD

1. THE BEIJING HUAMEI COOPERATION AGREEMENT

Date: 8 May 2006

Parties: (1) Huamei International;
(2) Mr. Zhang;
(3) Huamei Technology, an indirect wholly-owned subsidiary of the Company;
(4) NWDC, a direct wholly-owned subsidiary of the Company; and
(5) Beijing Huamei, a non wholly-owned subsidiary of the Company.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries and save as disclosed herein, each of Huamei International and its ultimate beneficial owner, and Mr. Zhang, is a third party independent of the Company and connected persons of the Company.

Major terms of the Beijing Huamei Cooperation Agreement

Transfer of Mr. Zhang's equity interest in Beijing Huamei to Huamei International

Mr. Zhang agreed that within 20 business days from the effective date of the Beijing Huamei Cooperation Agreement, he will transfer all of the interest he holds in Beijing Huamei, being 2% of equity interest in Beijing Huamei, to Huamei International and will no longer be involved in the operation of Beijing Huamei. Upon completion of such transfer, Beijing Huamei will be owned as to 75% and 25% by Huamei Technology and Huamei International, respectively. As at the Latest Practicable Date, such transfer of equity interest has been completed.

The development rights of the Beijing Property

As at the Latest Practicable Date, Beijing Huamei is owned as to 75% and 25% by Huamei Technology and Huamei International, respectively. Pursuant to Jingguotushi (2005) No. 543 issued by the Beijing Land Resources Bureau of the PRC (北京市國土資源局) in August 2005, Beijing Huamei has been granted the Level 1 Development Rights in respect of the Beijing Property. In order to regulate the rights and obligations of the parties to the Beijing Huamei Cooperation Agreement during the exploration of the Level 1 Development Rights and the diligent procurement of the Level 2 Development Rights in respect of the Beijing Property, NWDC, Huamei Technology, Huamei International, Mr. Zhang and Beijing Huamei agreed to enter into the Beijing Huamei Cooperation Agreement. The Beijing Property is located in Yuzhuang Village, Gaoliying Town, Shunyi District, Beijing, the PRC, which is approximately 1590 mu in size, of which approximately 840 mu is construction land and the remaining portion is for greenery and infrastructure purposes.

LETTER FROM THE BOARD

The exploration of the Level 1 Development Rights

Pursuant to the Beijing Huamei Cooperation Agreement, Huamei International was engaged by Beijing Huamei to conduct the exploration of the Level 1 Development Rights in respect of the Beijing Property including the formulation and implementation of plans for the acquisition, demolition, relocation of and compensation to the inhabitants and the construction of basic infrastructure in respect of the Beijing Property, to attain the standards imposed by the relevant land bureau for the purpose of auction in public trading, for an aggregate consideration of approximately RMB899,860,000 (equivalent to approximately HK\$865,250,000). The consideration represents the budgeted cost to undertake the Level 1 Development Rights, and will be adjusted as a result of (1) the increase in the cost incurred due to change of governmental policy; and/or (2) the subsequent increase in size of the Beijing Property.

Under the Beijing Huamei Cooperation Agreement, Huamei Technology is responsible for raising all financial resources required for the purposes of exploring the Level 1 Development Rights and each instalment of the said aggregate consideration will be provided to Huamei International by Huamei Technology within 10 days after receiving the use of funds plan from Huamei International. Such funds will be financed by internal resources of the Group and bank borrowings.

In the event that the actual costs of exploring the Level 1 Development Rights exceed the said aggregate consideration, such excess amount shall be deducted from the share of profits that Huamei International is entitled to. In the event that the actual costs of the Project are less than the total investment amount above, such difference shall be distributed to Huamei International and Huamei Technology in accordance with the proportion of their respective equity interest in Beijing Huamei.

The construction for the purpose of exploring the Level 1 Development Rights in respect of the Beijing Property is expected to commence by the end of 2006.

The diligent procurement of the Level 2 Development Rights

Pursuant to the Beijing Huamei Cooperation Agreement, Huamei International will be responsible to negotiate with the relevant PRC authorities and endeavour, together with Huamei Technology, to obtain the Level 2 Development Rights in relation to the Beijing Property for Beijing Huamei.

Guarantee provided by NWDC

Pursuant to the Beijing Huamei Cooperation Agreement, NWDC agreed to provide joint and several guarantee for all the obligations of Huamei Technology under the Beijing Huamei Cooperation Agreement.

LETTER FROM THE BOARD

Profits sharing

Huamei International and Huamei Technology will share profits in relation to the Project in accordance with the proportion of their respective equity interest in Beijing Huamei, i.e. 25% and 75% respectively. The profits derived from the Project will be shared between Huamei International and Huamei Technology on an annual basis.

In the event that Beijing Huamei requires to increase its registered capital as determined by its equity holders, the increased portion of such registered capital will be contributed solely by Huamei Technology, though the proportion of the equity interests in Beijing Huamei owned by Huamei Technology and Huamei International will remain unchanged, and Huamei Technology (1) is entitled to be repaid such increased portion of the registered capital of Beijing Huamei out of its profit before distribution; and (2) in the event of Beijing Huamei's liquidation, be entitled first to recoup the increased portion of the registered capital.

INFORMATION RELATING TO THE PROJECT AND THE BEIJING PROPERTY

The Beijing Property is located in Yuzhuang Village, Gaoliying Town, Shunyi District, Beijing, the PRC, and is situated besides the north bank of Wenyu River. The Project is part of the "One Town Two Areas" planning scheme of Shunyi District of the Beijing Municipality of the PRC, whereby "One Town" refers to the Konggang Town, and "Two Areas" refers to the Yuzhuang ecotourism and residential area and the Sishang ecotourism and residential area. It is the present intention of the parties to the Beijing Huamei Cooperation Agreement that the Beijing Property will be developed into low density residential premises for sale and investment purposes.

INFORMATION RELATING TO HUAMEI INTERNATIONAL

Huamei International was incorporated in the PRC with limited liability and is principally engaged in property investment in the PRC. As at the Latest Practicable Date, it is interested in 25% of the equity interest of Beijing Huamei.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries and save as disclosed herein, each of Huamei International and its ultimate beneficial owner is a third party independent of the Company and connected persons of the Company.

INFORMATION RELATING TO HUAMEI TECHNOLOGY

Huamei Technology is a foreign invested enterprise incorporated in the PRC and is an indirect wholly-owned subsidiary of the Company. Its principal asset is its investment in Beijing Huamei.

LETTER FROM THE BOARD

INFORMATION RELATING TO BEIJING HUAMEI

Beijing Huamei was incorporated in the PRC on 24 February 2004 with limited liability and has a registered capital of RMB50,000,000. As at the Latest Practicable Date, it is owned as to 25% and 75% by Huamei International and Huamei Technology, respectively.

Beijing Huamei is principally engaged in property development and investment in the PRC and is the holder of the Level 1 Development Rights in respect of the Beijing Property.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE BEIJING HUAMEI COOPERATION AGREEMENT

The purpose of entering into the Beijing Huamei Cooperation Agreement is to set out the respective rights and obligations of the parties to the Beijing Huamei Cooperation Agreement in the Project. In view of the limited land supply for low density residential development in Beijing, the entering into of the Beijing Huamei Cooperation Agreement will provide valuable opportunity for the Company to obtain the development rights in respect of the Beijing Property, which is located in one of the most prestigious residential districts in Beijing, and will enable the Company to pursue its interest in the Project.

In view of the above, the Directors (including the independent non-executive Directors) believe that the terms of the Beijing Huamei Cooperation Agreement are fair and reasonable and are in the interests of the Shareholders as a whole.

DISCLOSEABLE AND CONNECTED TRANSACTION

According to the Listing Rules, as the consideration ratio (as defined in Rule 14.07 of the Listing Rules) is more than 5% but less than 25%, the Beijing Huamei Cooperation Agreement constitutes a discloseable transaction for the Company which is subject to the notification and publication requirements as set out in Rules 14.34 to 14.39 of the Listing Rules. Relevant details will also be included in the next published annual report and accounts of the Company in accordance with Rule 14A.45 of the Listing Rules.

As at the Latest Practicable Date, Beijing Huamei, a non wholly-owned subsidiary of the Company, is owned as to 75% and 25% by Huamei Technology and Huamei International, respectively. Huamei International is therefore a connected person of the Company under the Listing Rules. Accordingly, the Beijing Huamei Cooperation Agreement also constitutes a connected transaction for the Company under the Listing Rules. As each of the assets ratio and consideration ratio (both as defined in Rule 14.07 of the Listing Rules) is more than 2.5%, the Beijing Huamei Cooperation Agreement is subject to reporting and announcement requirements under Rule 14A.32 of the Listing Rules and is required to be made conditional on approval by the Independent Shareholders either by convening a general meeting of the Shareholders or, pursuant to Rule 14A.43 of the Listing Rules, by means of a written approval by the Independent Shareholders who collectively hold more than 50% in nominal value of the Shares giving the right to attend and vote at such general meeting.

LETTER FROM THE BOARD

As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, neither Huamei International, its ultimate beneficial owners, Mr. Zhang or their respective associates hold any interests in the Company.

In view of the aforesaid, the Company has applied to the Stock Exchange pursuant to Rule 14A.43 of the Listing Rules for a waiver from strict compliance with the requirement under the Listing Rules for the Company to hold a general meeting to seek Independent Shareholders' approval in respect of the Beijing Huamei Cooperation Agreement, on the basis that (1) there are no Shareholders who will be required to abstain from voting if the Company were to convene a general meeting for the approval of the Beijing Huamei Cooperation Agreement; and (2) the written approval approving the Beijing Huamei Cooperation Agreement from NWD, which holds directly and indirectly 2,714,858,780 Shares, representing approximately 70% interest in the issued share capital of the Company giving the right to attend and vote at a general meeting, has been obtained.

In view of the attributable interest of approximately 70% which NWD holds in the issued share capital of the Company as at the Latest Practicable Date, Huamei International is also a connected person of NWD, and as such, the Beijing Huamei Cooperation Agreement also constitutes a connected transaction for NWD.

FINANCIAL EFFECT OF THE BEIJING HUAMEI COOPERATION AGREEMENT ON THE GROUP

No gain or loss by the Company will arise and there will be no impact on the assets and liabilities of the Company as a result of the entering into of the Beijing Huamei Cooperation Agreement.

2. THE CHENGDU XINYI COOPERATION AGREEMENT

Date: 15 May 2006

Parties: (1) NWCI, a direct wholly-owned subsidiary of the Company;
(2) Chengdu Xinyi Investment;
(3) Chengdu Xinyi Development;
(4) the Company;
(5) Sichuan Zhongshihua; and
(6) Hing Pang Petroleum.

Save as disclosed herein, to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of Chengdu Xinyi Investment, Chengdu Xinyi Development, Sichuan Zhongshihua and Hing Pang Petroleum and their respective ultimate beneficial owners, are third parties independent of the Company and connected persons of the Company.

LETTER FROM THE BOARD

Major terms of the Chengdu Xinyi Cooperation Agreement

Acquisition of equity interest in Chengdu Xinyi Development

NWCI agreed to acquire 60% of the equity interest in Chengdu Xinyi Development from Chengdu Xinyi Investment for an aggregate consideration of RMB500,000,000 (equivalent to approximately HK\$480,769,231), and the Consideration will be payable in cash by NWCI in the following manner:

- (a) payment of RMB50,000,000 directly to Chengdu Xinyi Investment within 5 business days after the Chengdu Xinyi Cooperation Agreement was signed;
- (b) payment of RMB150,000,000 into a bank account in the joint names of NWCI and Chengdu Xinyi Investment within 5 business days after the Chengdu Xinyi Cooperation Agreement was signed, and such amount to be transferred to Chengdu Xinyi Investment within 3 business days after all necessary government approvals in respect of the transfer of 60% of the equity interest in Chengdu Xinyi Development have been obtained;
- (c) payment of RMB100,000,000 directly to Chengdu Xinyi Investment within 3 business days after Chengdu Xinyi Development has obtained the approval letter for project set-up, the planning permit of construction land, the planning permit of construction project, and the first construction permit in respect of the development of the Chengdu Property, provided that Chengdu Xinyi Development has first obtained the state-owned land use right certificate to develop the Chengdu Property from the relevant government authority; and
- (d) payment of RMB200,000,000 directly to Chengdu Xinyi Investment within 3 business days after Chengdu Xinyi Development has obtained the first pre-sales permit in respect of the development of the Chengdu Property.

In the event that the necessary government approvals cannot be obtained in respect of the transfer of 60% of the equity interest in Chengdu Xinyi Development, Chengdu Xinyi Investment shall refund the first payment of RMB50,000,000 to NWCI within 5 days together with interest to be calculated at banks' highest lending rate prevailing at that time and the Chengdu Xinyi Cooperation Agreement will then be terminated.

The Consideration is determined after arm's length negotiation between Chengdu Xinyi Investment and the Company by reference to, amongst other things, the prevailing market price of land in the vicinity of the Chengdu Property. The Consideration will be financed by internal resources of the Group and bank borrowings.

LETTER FROM THE BOARD

Chengdu Xinyi Investment agreed to dispose of the rest of its equity interest in Chengdu Xinyi Development, amounting to 40% of the equity interest in Chengdu Xinyi Development, equally to Sichuan Zhongshihua and Hing Pang Petroleum. As at the date of this circular, Chengdu Xinyi Investment has completed the disposal of such equity interest.

Upon completion of the Transaction, Chengdu Xinyi Development will be owned as to 60%, 20% and 20% by NWCI, Sichuan Zhongshihua and Hing Pang Petroleum, respectively, and will become an indirect non wholly-owned subsidiary of the Company.

Conditions precedent

The Transaction is conditional upon the completion of the following initial reorganisation of Chengdu Xinyi Development:

- (a) Chengdu Xinyi Investment has acquired 10% of the equity interest in Chengdu Xinyi Development from Ms. Li, who is an independent third party, such that Chengdu Xinyi Development became a wholly-owned subsidiary of Chengdu Xinyi Investment;
- (b) Chengdu Xinyi Development has disposed of all of the equity interest it holds in Chengdu Xinyi Property Management, amounting to 70% of the equity interest in Chengdu Xinyi Property Management;
- (c) Chengdu Xinyi Development has acquired the right to engage in the property development business from the relevant local government authorities; and
- (d) Chengdu Xinyi Development has engaged an independent accounting firm to audit its balance sheet as at the date when the Transaction is completed.

Board composition

Upon completion of the Transaction, the board of directors of Chengdu Xinyi Development will comprise 5 directors, of which 3 directors will be nominated by NWCI and 1 director will be nominated by each of Sichuan Zhongshihua and Hing Pang Petroleum. The chairman of the board of directors of Chengdu Xinyi Development and its legal representative will be nominated by NWCI. Sichuan Zhongshihua and Hing Pang Petroleum will each nominate a vice-chairman of the board of directors of Chengdu Xinyi Development.

LETTER FROM THE BOARD

The development rights of the Chengdu Property

Pursuant to the Chengdu Property Acquisition Agreement, Chengdu Xinyi Development acquired the land use rights of the Chengdu Property. In order to regulate the rights and obligations of NWCI, Chengdu Xinyi Investment, Chengdu Xinyi Development, the Company, Sichuan Zhongshihua, and Hing Pang Petroleum during the development of the Chengdu Property, the parties entered into the Chengdu Xinyi Cooperation Agreement.

Pursuant to the Chengdu Xinyi Cooperation Agreement, Chengdu Xinyi Investment will use its best endeavours to assist Chengdu Xinyi Development to obtain the development rights, including the rights to develop residential dwellings and hotels, in respect of the Chengdu Property. Chengdu Xinyi Investment, Sichuan Zhongshihua and Hing Pang Petroleum undertook that the demolition of existing structures on the Chengdu Property will be completed by no later than 30 June 2007, and that development of and construction on the Chengdu Property will commence within a reasonable time after the completion of the demolition work, and in any event no later than 27 July 2007. Chengdu Xinyi Investment, Sichuan Zhongshihua and Hing Pang Petroleum also warranted that the permitted development area will be at least 3,000,000 sq.m..

The cost of the Chengdu Property

Pursuant to the Chengdu Property Acquisition Agreement, the cost of the acquisition of the land use rights of the Chengdu Property amounted to RMB1,067,477,760. At the time of acquiring the Chengdu Property, Chengdu Xinyi Investment paid a portion of such acquisition cost and the associated fees on behalf of Chengdu Xinyi Development. According to the Chengdu Xinyi Cooperation Agreement, (i) within 3 days after the completion of the acquisition of 60% of the equity interest in Chengdu Xinyi Development by NWCI from Chengdu Xinyi Investment; and (ii) after NWCI and Chengdu Xinyi Investment have confirmed the exact amount of such portion of the acquisition cost and the associated fees initially paid by Chengdu Xinyi Investment on behalf of Chengdu Xinyi Development, Chengdu Xinyi Investment is entitled to seek reimbursement of such portion of the acquisition cost and the associated fees from Chengdu Xinyi Development by providing the relevant invoices issued by the relevant governmental authority to Chengdu Xinyi Development.

Shareholders loan

NWCI agreed to provide a loan in an amount not exceeding RMB1,100,000,000 to Chengdu Xinyi Development, the terms of which will be subject to negotiation between NWCI, Sichuan Zhongshihua and Hing Pang Petroleum, for the purposes of funding the development of the Chengdu Property. Additional funding requirement may be satisfied through bank financing by Chengdu Xinyi Development. If required, NWCI, Sichuan Zhongshihua and Hing Pang Petroleum shall also contribute funds to Chengdu Xinyi Development in proportion to their respective capital contribution upon completion of the Transaction.

LETTER FROM THE BOARD

Joint and several liabilities

Pursuant to the Chengdu Xinyi Cooperation Agreement:

- (a) the Company shall be jointly and severally liable with NWCI for all of the obligations of NWCI under the Chengdu Xinyi Cooperation Agreement; and
- (b) Sichuan Zhongshihua and Hing Pang Petroleum shall be jointly and severally liable with Chengdu Xinyi Investment for all of the obligations of Chengdu Xinyi Investment under the Chengdu Xinyi Cooperation Agreement.

Income sharing

After arm's length negotiations between NWCI, Sichuan Zhongshihua and Hing Pang Petroleum, it was agreed that the income resulting from the development of the Chengdu Property will be utilised and shared in the following order:

- (1) the payment of all the costs, tax and other expenses (including income tax and interest payments in respect of bank borrowings) in connection with the development of the Chengdu Property, and reserve funds, funds of awards and welfare for employees and enterprise development funds contributed according to the relevant PRC law;
- (2) repay the loan obtained from NWCI in an amount of RMB500,000,000;
- (3) distribute an aggregate amount of RMB200,000,000 to Sichuan Zhongshihua and Hing Pang Petroleum;
- (4) repay the rest of the loan and interest obtained from NWCI;
- (5) distribute RMB500,000,000 to NWCI;
- (6) distribute an aggregate amount of RMB232,500,000 to Sichuan Zhongshihua and Hing Pang Petroleum; and
- (7) the remaining income resulting from the development of the Chengdu Property will be shared by NWCI, Sichuan Zhongshihua and Hing Pang Petroleum in accordance with their proportion of the equity capital interest in Chengdu Xinyi Development after the Transaction.

LETTER FROM THE BOARD

INFORMATION RELATING TO CHENGDU XINYI DEVELOPMENT AND THE CHENGDU PROPERTY

Chengdu Xinyi Development was incorporated in the PRC on 16 December 2001 with limited liability and has a registered capital of RMB30,000,000. It is principally engaged in real estates development and property management businesses and is the holder of land use rights in respect of the Chengdu Property located in Guangfu Village, Huayang Town, Shuangliu Country, Chengdu City, the PRC, which is adjacent to the end station of the underground of Chengdu currently being developed, and next to the highway leading to the city centre. The Chengdu Property has a total site area of 950,004.75 sq.m..

The audited net asset value of Chengdu Xinyi Development as at 31 December 2005 was RMB29,282,000 and it has not generated any profit or incurred any loss for the two financial years ended 31 December 2004 and 31 December 2005.

INFORMATION RELATING TO NWCI

NWCI is principally engaged in the investment in PRC property projects and the provision of marketing and consultancy services in the area of property development in the PRC.

INFORMATION RELATING TO CHENGDU XINYI INVESTMENT

Chengdu Xinyi Investment is a sino-foreign joint venture company established under the laws of the PRC on 30 May 2001 with a registered capital of RMB30,000,000. Chengdu Xinyi Investment is principally engaged in real estates development in Chengdu City, the PRC.

INFORMATION RELATING TO SICHUAN ZHONGSHIHUA

Sichuan Zhongshihua is principally engaged in the trading of petroleum and chemical products as well as construction materials.

INFORMATION RELATING TO HING PANG PETROLEUM

Hing Pang Petroleum is principally engaged in the import and export of petroleum and chemical products, the import of oil exploration equipment, and the wholesale of petroleum and chemical products and refined oil products.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE CHENGDU XINYI COOPERATION AGREEMENT

The purpose of entering into the Chengdu Xinyi Cooperation Agreement is to regulate the rights and obligations of the parties to the Chengdu Xinyi Cooperation Agreement in the development of the Chengdu Property. The signing of the Chengdu Xinyi Cooperation Agreement marks the first strategic entry of the Group into the property market in Chengdu City and is consistent with the Company's strategy to expand its property portfolio in a

LETTER FROM THE BOARD

city with growth potential. The Directors consider that the acquisition of interest in the Chengdu Property will enable the Group to capitalise on the favourable property market in the PRC, which is supported by the sustained economic growth and the improved purchasing power of the PRC citizens.

In view of the above, the Directors believe that the terms of the Chengdu Xinyi Cooperation Agreement are fair and reasonable and are in the interests of the Shareholders as a whole.

DISCLOSEABLE TRANSACTION

According to the Listing Rules, as the consideration ratio (as defined in Rule 14.07 of the Listing Rules) is more than 5% but less than 25%, the Chengdu Xinyi Cooperation Agreement constitutes a discloseable transaction for the Company which is subject to the notification and publication requirements as set out in Rules 14.34 to 14.39 of the Listing Rules. Relevant details will also be included in the next published annual report and accounts of the Company in accordance with Rule 14A.45 of the Listing Rules.

FINANCIAL EFFECT OF THE CHENGDU XINYI COOPERATION AGREEMENT ON THE GROUP

Upon completion of the acquisition of 60% equity interest in Chengdu Xinyi Development, Chengdu Xinyi Development will become a subsidiary of the Company and thus its financial results will be consolidated into the financial results of the Company and its assets and liabilities will be included in the consolidated accounts of the Company.

INFORMATION RELATING TO THE COMPANY

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

ADVICE

Your attention is drawn to the letter from the Independent Board Committee as set out on page 19 of this circular, which contains its advice to the Independent Shareholders in respect of the Beijing Huamei Cooperation Agreement, and the letter of advice received from Commerzbank, the independent financial adviser to the Independent Board Committee and the Independent Shareholders as set out on pages 20 to 25 of this circular which contains, among other things, its advice to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Beijing Huamei Cooperation Agreement and the principal factors and reasons considered by it in arriving at its advice.

Your attention is also drawn to the general information as set out in the appendix of 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: 0917)

29 May 2006

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

We refer to the letter from the Board set out in the circular issued by the Company to the Shareholders and dated 29 May 2006 (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 as the Independent Board Committee to consider the terms of the Beijing Huamei Cooperation Agreement and to advise the Independent Shareholders in connection with the Beijing Huamei Cooperation Agreement as to whether, in our opinion, its terms are fair and reasonable so far as the Independent Shareholders are concerned and whether the Beijing Huamei Cooperation Agreement is in the interests of the Company and the Shareholders as a whole. Commerzbank has been appointed as the independent financial adviser to advise us in this respect.

We wish to draw your attention to the letter from the Board and the letter from Commerzbank to the Independent Board Committee and the Independent Shareholders which contains its advice to us in relation to the Beijing Huamei Cooperation Agreement as set out in the Circular.

Having considered the principal factors and reasons considered by, and the opinion of Commerzbank as set out in its letter of advice, we consider the terms of the Beijing Huamei Cooperation Agreement to be fair and reasonable so far as the interests of the Independent Shareholders are concerned and that the Beijing Huamei Cooperation Agreement is in the interests of the Company and the Shareholders as a whole.

Yours faithfully,
Independent Board Committee
Cheng Wai-chee, Christopher,
Tien Pei-chun, James and Lee Luen-wai, John

LETTER FROM COMMERZBANK

The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from Commerzbank in respect of the Beijing Huamei Cooperation Agreement, prepared for the purpose of incorporation into this circular.

德 國 商 業 銀 行

COMMERZBANK 

(Public Limited Company Incorporated in the Federal Republic of Germany)

HONG KONG BRANCH

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HONG KONG

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29 May 2006

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transaction contemplated under the Beijing Huamei Cooperation Agreement (the “**Connected Transaction**”), the definition of which, amongst other things, is set out in the circular dated 29 May 2006 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular have the same meanings when used in this letter unless the context requires otherwise.

Our role as the independent financial adviser to the Independent Board Committee is to give our advice and recommendation to the Independent Shareholders on the Connected Transaction as to whether they are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Independent Shareholders as a whole.

In formulating our opinion, we have relied on the information and facts supplied to us by the Company. We have assumed that all information, opinion and representations given by the Company contained or referred to in the Circular are true, complete and accurate in all material respects and we have relied on the same. Also, we have relied on the representations of the Company that having made all due enquiries and careful decisions, and to the best of its knowledge and belief, there is no other fact or representation, the omission of which would make any statement contained in the Circular, including this letter, misleading. We have also assumed that all information and statements and representations made or referred to in the Circular, which have been provided to us by the Company, and for which they are wholly responsible, are true, complete and accurate in all material respects at the time they were made and continue to be so at the date of despatch of the Circular.

LETTER FROM COMMERZBANK

Beijing Huamei, a non-wholly owned subsidiary of the Company, is owned as to 75% and 25% by Huamei Technology and Huamei International, respectively. Huamei International, being a substantial shareholder in Beijing Huamei, is a connected person of the Company. Therefore, the transaction contemplated under the Beijing Huamei Cooperation Agreement constitutes a connected transaction for the Company under the Listing Rules.

We consider that we have reviewed sufficient information to enable us to reach an informed view regarding the terms of the Connected Transaction, and to provide us with a reasonable basis for our opinion. We have no reason to suspect that any material facts have been omitted or withheld, nor are we aware of any facts or circumstances, which would render the information and the representations made to us untrue, inaccurate or misleading. We have not, however, carried out any independent verification of the information provided by the Group, nor have we conducted any independent in-depth investigation into the business and affairs of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In assessing the overall fairness and reasonableness of the Connected Transaction and giving our independent financial advice to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors:

1. Background of the Company

The principal business of the Company is property development and property related investment in the PRC including, but not limited to, property sales, rental and hotel operations in the PRC. The Company is a real estate developer in the PRC and currently has land bank of approximately 17 million sq. m. spanning over 17 cities. We note from the Company's latest annual report as at 30 June 2005 that approximately 78% of its land bank is located in Guangzhou, Beijing, Shenyang and Wuhan. The Directors believe that urbanisation and the increase in disposable income per capita in the PRC will continue to drive the demand for residential housing in the PRC.

2. Background of Huamei International

Huamei International was incorporated in the PRC with limited liability and is principally engaged in property investment in the PRC. As at the Latest Practicable Date of the Circular, Huamei International holds 25% equity interest in Beijing Huamei.

3. Background of Beijing Huamei

Beijing Huamei, a non-wholly owned subsidiary of the Company, was incorporated in the PRC on 24 February 2004 with limited liability and has a registered capital of RMB50,000,000. As at the Latest Practicable Date of the Circular, Beijing Huamei was owned as to 25% and 75% by Huamei International and Huamei Technology, respectively. Beijing Huamei is principally engaged in property development and investment in the PRC and is the holder of the Level 1 Development Rights in respect of the Beijing Property.

4. Information on the Beijing Property

As set out in the Circular, the Beijing Property is located at Yuzhuang Village, Gaoliying Town, Shunyi District Beijing, the PRC, which is approximately 1,590 mu (equivalent to approximately 1,060,000 sq.m.) in size, of which approximately 840 mu (equivalent to approximately 560,000 sq.m.) is construction land and the remaining portion is for greenery and infrastructure purposes.

In August 2005, Beijing Land Resource Bureau granted the Level 1 Development Rights of the Beijing Property to Beijing Huamei. The Beijing Property is currently intended to develop into low-density residential premises for sale and investment purposes.

5. Background and reasons for the Beijing Huamei Cooperation Agreement

On 8 May 2006, NWDC and Huamei Technology, both wholly-owned subsidiaries of the Company, entered into the Beijing Huamei Cooperation Agreement with Huamei International, Mr. Zhang and Beijing Huamei in respect of the Beijing Property.

In considering the overall fairness and reasonableness of the Connected Transaction, we have discussed with the Directors and understand that the purpose of the Beijing Huamei Cooperation Agreement is to set out the respective rights and obligations of NWDC, Huamei Technology, Huamei International and Mr. Zhang (the “Parties”) in the Project. Given Beijing is the capital city of the PRC, the Directors are of the view that the property market will increase in line with the current upward trend of the overall economic development of the PRC. The Directors also believe that the entering into of the Beijing Huamei Cooperation Agreement is consistent with the Company’s strategy to participate in the development of high quality land in the PRC.

5.1 Overview of the property market in Beijing

Based on our own internal research and the review of various research reports, we note that in general, the overall property market in the PRC has slowed down as a result of the PRC government’s policies in controlling an overheated property market in the PRC, including (i) the imposition of new business tax on sales of new homes purchased within the first two years; and (ii) the restriction on the transfer of new houses under construction between buyers. Notwithstanding the austere measures imposed by the PRC government, according to the Beijing Municipal Statistical Bureau, real estate investment in Beijing has recorded a compound annual growth rate (“CAGR”) of approximately 14% for the past 5 years. In this connection, we concur with market consensus that the long-term fundamental outlook on the Beijing property market remains positive, as there will be continued strong growth in the local economy and robust local demand.

LETTER FROM COMMERZBANK

We also note from the Beijing Statistics Yearbook 2005 that Beijing's gross domestic product ("GDP") per capita exceed RMB44,969 (approximately HK\$43,239) with a growth of approximately 8.1% in 2005. The strong GDP per capita growth was partly attributed to the continuous growth of foreign direct investment ("FDI") in Beijing, which experienced a CAGR of 19% for the past 5 years. In accordance with the Beijing Statistics Yearbook 2005, FDI reaches approximately US\$6.5 billion (approximately HK\$50.7 billion) in 2005 with an annual increase of approximately 4.2%.

5.2 *Principal terms of the Beijing Huamei Cooperation Agreement*

We have discussed with the Directors and noted that, inter alia, the following major terms of the Beijing Huamei Cooperation Agreement:

5.2.1 Transfer of interest in Beijing Huamei

Pursuant to the Beijing Huamei Cooperation Agreement, Mr. Zhang agreed to transfer his 2% equity interest in Beijing Huamei to Huamei International within 20 business days from the effective date of the Beijing Huamei Cooperation Agreement. Upon completion of the transfer, Beijing Huamei will be owned as to 25% and 75% by Huamei International and Huamei Technology, respectively. As at the Latest Practicable Date, such transfer of equity interest has been completed.

5.2.2 Level 1 Development Rights

Pursuant to the Beijing Huamei Cooperation Agreement, Huamei International was engaged by Beijing Huamei to conduct the exploration of the Level 1 Development Rights in respect of the Beijing Property, which is expected to commence by the end of 2006, for an aggregate consideration of approximately RMB899,860,000 (the "**Proposed Consideration**") (equivalent to approximately HK\$865,250,000).

We have discussed with the Directors and note that the granting of Level 1 Development Rights is a new statutory policy introduced by Beijing Land Resources Bureau in August 2005 as a means to control the supply and planning of land by granting rights to appropriate financially-sound entities to develop and improve designated land at an agreed price and the cost to develop the said land shall be self-financed by the grantee of the Level 1 Development Rights.

5.2.3 The Proposed Consideration

We have discussed with the Directors and note that the Proposed Consideration was arrived at based on the estimated costs to undertake the Level 1 Development Rights. We have reviewed the Level 1 Development Rights provisional rules issued by the Beijing Land Resources Bureau dated 3 August 2005 (the "**Notice**"), and note that the

LETTER FROM COMMERZBANK

(i) estimated costs of the Level 1 Development Rights includes costs for land reclamation, compensation for and settlement of inhabitants, demolition of existing structures, levelling, ancillary costs in relation to the construction of basic infrastructure in respect of the Beijing Property; and (ii) the mechanism adopted by the Parties in calculating the Proposed Consideration is the prescribed method as set out in the Notice. Given that the mechanism in arriving at the Proposed Consideration is a Government-prescribed method, we are of the view that the Proposed Consideration represents the fair market value of the Beijing Property.

We have also reviewed the Beijing Huamei Cooperation Agreement and note that the Proposed Consideration is subject to adjustment as a result of (i) the increase in the cost incurred due to change of governmental policy; and/or (ii) the subsequent increase in the size of the Beijing Property.

We note that Huamei Technology is responsible for raising all financial resources for exploring Level 1 Development Rights and the Proposed Consideration will be funded by internal resources of the Group and bank borrowings. As set out in the Beijing Huamei Cooperation Agreement, any additional funding requirement of Beijing Huamei exceeding the Proposed Consideration in respect of the exploration of the Level 1 Development Right is subject to unanimous approval by the Parties.

5.2.4 Level 2 Development Rights

Pursuant to the Beijing Huamei Cooperation Agreement, Huamei International will be responsible to negotiate with the relevant PRC authorities and endeavour together with Huamei Technology, to obtain the Level 2 Development Rights in relation to the Beijing Property for Beijing Huamei.

5.2.5 Profit sharing

Huamei International and Huamei Technology will be entitled to any distributable profits of Beijing Huamei in relation to the Project in accordance with the proportion of their equity interest of 25% and 75%, respectively, in Beijing Huamei. We consider that the profit sharing ratio, which is in proportion to the respective equity interests of the Parties in Beijing Huamei, to be fair and reasonable in so far as the Company and the Independent Shareholders are concerned.

Having considered the above principal terms of the Beijing Huamei Cooperation Agreement, and given that (i) the Proposed Consideration is calculated based on Government-prescribed mechanism; (ii) the entering into of the Beijing Huamei Cooperation Agreement is in line

LETTER FROM COMMERZBANK

with the Company's corporate strategy; and (iii) the profit sharing is in proportion to the respective equity interests of the Parties, we are of the view that the terms of the Beijing Huamei Cooperation Agreement are fair and reasonable.

6. Financial effects of the Beijing Huamei Cooperation Agreement

As mentioned in the letter from the board, Huamei International was engaged by Beijing Huamei to conduct the exploration of the Level 1 Development Rights in respect of the Beijing Property to attain the standards imposed by the Beijing Land Resource Bureau for the purpose of auction in public trading at the Proposed Consideration. Pursuant to the Beijing Huamei Cooperation Agreement, Huamei Technology is responsible for raising all financial resources required and such financial resources will be provided to Huamei International for the exploration of the Level 1 Development Rights. The Proposed Consideration will be financed by internal resources of the Group and bank borrowings.

We note from the Company's latest annual report as at 30 June 2005 that the outstanding cash and bank balance on hand was HK\$6,184.98 million. Depending on the market condition, it is unknown as to the proportion of the Proposed Consideration which will be financed by way of internal resources of the Group or from bank borrowings. Assuming that the Proposed Consideration is to be financed by the Group, it will account for approximately 14.5% of the outstanding cash and bank balance on hand.

Given that the Company would have an opportunity to further penetrate into the property development market in Beijing, where the Company already has a presence, and notwithstanding that the Proposed Consideration accounts for approximately 14.5% of the outstanding cash and bank balance on hand as at 30 June 2005, we are of the view that the Proposed Consideration is fair and reasonable as far as the Company and the Independent Shareholders are concerned.

OVERALL RECOMMENDATION

Having considered the principal factors and reasons referred to above, we are of the view that the Connected Transaction is fair and reasonable, on normal commercial terms, and is in the interests of the Company and its Independent Shareholders as a whole.

Yours faithfully,

For and on behalf of

Commerzbank AG Hong Kong Branch

Harald W. A. Vogt

General Manager

Helen Ho

*Head of Corporate Finance –
M&A Advisory*

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.

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

As at 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 position in issued Shares**

	Number of Shares				Percentage to the issued share capital as at the Latest Practicable Date
	Personal interests	Family interests	Corporates interests	Total	
Dr. Cheng Kar-shun, Henry	-	12,500,000	52,271,200 <i>(note 1)</i>	64,771,200	1.69
Mr. Doo Wai-hoi, William	8,750,000	-	49,039,200 <i>(note 2)</i>	57,789,200	1.51
Mr. Leung Chi-kin, Stewart	500,000	-	-	500,000	0.01
Mr. Chow Yu-chun, Alexander	6,250,000	-	-	6,250,000	0.16
Mr. Chow Kwai-cheung	650,126	-	-	650,126	0.02
Mr. Fong Shing-kwong, Michael	1,600,000	-	-	1,600,000	0.04

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 a company wholly-owned by Mr. Doo Wai-hoi, William.

(b) Long position in underlying Shares

Under the share option scheme of the Company adopted on 26 November 2002, share options were granted to the undermentioned Director which entitled her to subscribe for Shares and accordingly she is regarded as interested in the underlying Shares. Details of the share options held by her 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
Ngan Man-ying, Lynda	14 July 2005	15 August 2006 to 14 August 2007	100,000	HK\$2.300

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

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

	Number of shares/ amount of registered capital			Total	Percentage to the relevant issued/ registered capital as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests		
New World Development Company Limited (Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-shun, Henry	–	300,000	–	300,000	0.01
Mr. Leung Chi-kin, Stewart	32,553	–	–	32,553	0.001
Mr. Chow Kwai-cheung	44,527	–	–	44,527	0.001

	Number of shares/ amount of registered capital				Percentage to the relevant issued/ registered capital as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests	Total	
NWS Holdings Limited					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-shun, Henry	3,179,199	587,000	8,000,000 (note 1)	11,766,199	0.61
Mr. Doo Wai-hoi, William	2,006,566	–	3,130,000 (note 2)	5,136,566	0.27
Mr. Cheng Kar-shing, Peter	180,308	–	2,659,700 (note 3)	2,840,008	0.15
Mr. Leung Chi-kin, Stewart	3,526,630	–	84,607 (note 4)	3,611,237	0.19
Mr. Chow Kwai-cheung	540,000	–	–	540,000	0.03
Mr. Chow Yu-chun, Alexander	2,404,761	–	–	2,404,761	0.13
Mr. Fong Shing-kwong, Michael	2,356,051	–	–	2,356,051	0.12
Mr. Cheng Wai-chee, Christopher	688,091	–	–	688,091	0.04
Dragon Fortune Limited					
(Ordinary shares of US\$1.00 each)					
Mr. Cheng Kar-shing, Peter	–	–	15,869 (note 5)	15,869	27.41
Faith Yard Property Limited					
(Ordinary shares of US\$1.00 each)					
Mr. Doo Wai-hoi, William	–	–	1 (note 2)	1	50.00
Fortune Star Worldwide Limited					
(Ordinary shares of US\$1.00 each)					
Mr. Doo Wai-hoi, William	–	–	60 (note 2)	60	60.00

	Number of shares/ amount of registered capital			Total	Percentage to the relevant issued/ registered capital as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests		
Fung Seng Estate Development (Shanghai) Co., Ltd. (Registered capital in US\$)					
Mr. Doo Wai-hoi, William	-	-	3,000,000 <i>(note 6)</i>	3,000,000	30.00
Grand Make International Limited (Ordinary shares of US\$1.00 each)					
Mr. Doo Wai-hoi, William	-	-	10 <i>(note 2)</i>	10	10.00
Guangzhou Ronghe Real Estate Co., Ltd. (Registered capital in RMB)					
Mr. Fu Sze-shing	-	-	4,666,500 <i>(note 7)</i>	4,666,500	50.00
Master Services Limited (Ordinary shares of US\$0.01 each)					
Mr. Leung Chi-kin, Stewart	16,335	-	-	16,335	1.63
Mr. Chow Kwai-cheung	16,335	-	-	16,335	1.63
Mr. Chow Yu-chun, Alexander	16,335	-	-	16,335	1.63
Ramada Property Ltd. (Ordinary shares of US\$1.00 each)					
Mr. Doo Wai-hoi, William	-	-	200 <i>(note 2)</i>	200	20.00
Shanghai Ju Yi Real Estate Development Co., Ltd. (Registered capital in RMB)					
Mr. Doo Wai-hoi, William	-	-	105,000,000 <i>(note 6)</i>	105,000,000	30.00

	Number of shares/ amount of registered capital				Percentage to the relevant issued/ registered capital as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests	Total	
Shanghai Trio Property Development Co. Ltd. (Registered capital in US\$)					
Mr. Doo Wai-hoi, William	–	–	28,350,000 <i>(note 8)</i>	28,350,000	52.50
Sun City Holdings Limited (Ordinary shares of HK\$1.00 each)					
Mr. Cheng Kar-shing, Peter	–	80,000	3,570,000 <i>(note 9)</i>	3,650,000	45.63
Sun Legend Investments Limited (Ordinary shares of HK\$1.00 each)					
Mr. Cheng Kar-shing, Peter	–	–	500 <i>(note 10)</i>	500	50.00
YE Holdings Limited (Ordinary shares of HK\$1.00 each)					
Mr. Leung Chi-kin, Stewart	37,500	–	–	37,500	1.50
Zhaoqing New World Property Development Limited (Registered capital in US\$)					
Mr. Doo Wai-hoi, William	–	–	8,250,000 <i>(note 11)</i>	8,250,000	60.00
Zhaoqing New World Property Management Limited (Registered capital in HK\$)					
Mr. Doo Wai-hoi, William	–	–	300,000 <i>(note 11)</i>	300,000	60.00

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.
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 of which Mr. Leung Chi-kin, Stewart has a direct interest of 55%.
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. These represent the participating interests held by a company wholly-owned by Mr. Doo Wai-hoi, William.
7. The interest is beneficially owned by a company of which Mr. Fu Sze-shing has 50% interest.
8. These include 50% direct interests and 2.5% participating interests in the registered capital of Shanghai Trio Property Development Co. Ltd. being held by companies wholly-owned by Mr. Doo Wai-hoi, William.
9. These shares are held by a company of which Mr. Cheng Kar-shing, Peter owns an indirect interest of 48.18%.
10. Mr. Cheng Kar-shing, Peter is deemed to be interested in the shares of Sun Legend Investments Limited by virtue of his interests in Sun City.
11. Mr. Doo Wai-hoi, William is deemed to be interested in the registered capitals of these companies by virtue of his interest in Fortune Star Worldwide Limited, of which Mr. Doo Wai-hoi, William owns an indirect interest of 60%.

(b) *Long position in the underlying shares in the associated corporations of the Company*(i) *New World Mobile Holdings Limited*

Under the share option scheme of a fellow subsidiary, New World Mobile Holdings Limited (“NWMH”), the following Directors have personal interests in share options to subscribe for shares in NWMH and are accordingly regarded as interested in the underlying shares of NWMH. Details of the share options of NWMH 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
Dr. Cheng Kar-shun, Henry	28 January 2005	(note)	780,000	HK\$1.26
Mr. Doo Wai-hoi, William	28 January 2005	(note)	300,000	HK\$1.26
Mr. Chow Yu-chun, Alexander	28 January 2005	(note)	482,000	HK\$1.26

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

(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
Mr. Leung Chi-kin, Stewart	21 July 2003	(note)	68,820	HK\$3.711
Mr. Chow Yu-chun, Alexander	21 July 2003	(note)	134,943	HK\$3.711

Note: Divided into 2 tranches exercisable from 21 July 2004 and 21 July 2005 to 20 July 2008, respectively.

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 are 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 are 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, the following Directors have interests in the following businesses which are considered to compete or are likely to compete, either directly or indirectly, with the businesses 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:

Name of Director	Name of entity which business 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
Dr. Cheng Kar-shun, Henry	Beijing Jiang Guang Development Limited	Hotel operation in Beijing	Director
	Huizhou New World Enterprises Development Co., Ltd.	Property development in Huizhou	Director
	Qingyuan New World Housing Development Ltd.	Property development in Qingyuan	Director
	Tianjin Tianzheng Property & Merchants Co., Ltd.	Land improvement in Tianjin	Director
	Wuhan New Eagle Development Co., Ltd.	Property investment in Wuhan	Director
	Wuxi Ramada Hotel Company Limited	Hotel operation in Wuxi	Director

Name of Director	Name of entity which business 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. Doo Wai-hoi, William	New Bei Fang Hotel Ltd.	Property investment	Director
	Tianjin Tianzheng Property & Merchants Co. Ltd.	Land improvement in Tianjin	Director
Mr. Cheng Kar-shing, Peter	Qingyuan New World Housing Development Ltd.	Property development in Qingyuan	Director
	Wuhan New Eagle Development Co., Ltd.	Property investment in Wuhan	Director
Mr. Chow Kwai-cheung	北京市天竺花園別墅發展有限公司	Property development in Beijing	Director
	Tianjin Tianzheng Property & Merchants Co., Ltd.	Land improvement in Tianjin	Director
	廣州金湖住宅發展有限公司	Property development in Guangzhou	Director
	廣州紅丰房地產有限公司	Property development in Guangzhou	Director
	增城永裕房地產有限公司	Property development in Guangzhou	Director
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 operation in Xian	Director
	Guangzhou Metropolitan Properties Co., Ltd.	Property development in Guangzhou	Director

Name of Director	Name of entity which business 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	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 Jiang Guang Centre Co., Ltd.	Hotel operation in Beijing	Director
	Beijing Fu Wah Real Estates Development Co., Ltd.	Property development in Beijing	Director
	Beijing Niceline Real Estates Development Co., Ltd.	Property development in Beijing	Director
	Grand New World Hotel Company Limited	Hotel operation in Xian	Director
	Wuxi New City Development Co., Ltd.	Hotel operation in Wuxi	Director
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 business of the Group.

(IV) Other Directors' interests

None of the Directors has, or has 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 2005, 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 are 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:

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

Substantial shareholders of the Group

- (a) As at 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		Number of Shares comprised in derivatives (note 4)		Total	Percentage to the issued share capital of the Company
	Beneficial interests	Corporate Interests	Beneficial interests	Corporate Interests		
Cheng Yu Tung Family (Holdings) Limited ("CYTF") ^(note 1)	-	2,714,858,780	-	262,000,000	2,976,858,780	77.81
Centennial Success Limited ("CSL") ^(note 1)	-	2,714,858,780	-	262,000,000	2,976,858,780	77.81
Chow Tai Fook Enterprises Limited ("CTF") ^(note 2)	-	2,714,858,780	-	262,000,000	2,976,858,780	77.81
NWD ^(note 3)	2,537,632,731	177,226,049	-	262,000,000	2,976,858,780	77.81
Easywin Enterprises Corporation Limited ("Easywin")	113,351,879	-	262,000,000	-	375,351,879	9.81

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 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 54% owned subsidiary. As NWD holds 100% interest in Easywin, it is also deemed to have an interest in the Shares held by Easywin.
4. Pursuant to certain option agreements all dated 30 May 2005, Easywin granted put options in respect of 262,000,000 Shares to independent third parties which are exercisable at an initial exercise price of HK\$2.90 per Share (subject to adjustment) on 25 May 2007 (subject to certain accelerating events as provided therein).

- (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 a member of the Group) who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any subsidiary of the Company were as follows:

Name of substantial shareholder	Name of subsidiary	Number of shares/amount of equity interest held
Dalian Commercial Network Construction and Development Company	Dalian New World Plaza International Co., Ltd.	RMB6,960,000 (12% of the equity interest)
Hainan Zhonghong Investments Company Limited	Changsha Xianxianghai Housing Development Co., Ltd.	RMB25,000,000 (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)
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development Limited	10% (note)
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 2 Limited	10% (note)
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 3 Limited	10% (note)
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 4 Limited	10% (note)
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 5 Limited	10% (note)
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 6 Limited	10% (note)

Name of substantial shareholder	Name of subsidiary	Number of shares/amount of equity interest held
深圳瑋鵬實業有限公司	Shenzhen Topping Real Estate Development Co., Ltd.	HK\$18,200,000 (10% of the equity interest)
武漢市國營漢口漁場	Wuhan Xinhan Development Co., Ltd.	30% (<i>note</i>)
佛山市祥福房地產開發有限公司	Foshan Country Club Real Estate Development Limited	10% (<i>note</i>)
濟南陽光置業有限公司	Jinan New World Sunshine Development Co., Ltd.	USD8,094,600 (27% of the equity interest)
上海豐收投資有限公司	濟南匯泉新世界置業有限公司	RMB6,000,000 (30% 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 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.

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 (excluding contracts expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation)).

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 2005 (being the date to which the latest published audited financial statements of the Group were made up).

EXPERT

- (a) The following sets out the qualifications of the expert who has been named in this circular or has given its opinion or advice as contained in this circular:

Name	Qualifications
Commerzbank	(acting through its Hong Kong branch) a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and an authorised financial institution under the SFO to carry out type 1 (dealing in securities), 4 (advising on securities), and 6 (advising on corporate finance) regulated activities as set out in Schedule 5 of the SFO

- (b) Commerzbank does not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (c) Commerzbank does not have any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2005, the date to which the latest published audited financial statements of the Company were made up.
- (d) Commerzbank has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they are included.
- (e) The letter and recommendation given by Commerzbank are given as of the date of this circular for incorporation herein.

LITIGATION

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

MISCELLANEOUS

- (a) The English text of this circular shall prevail over the Chinese text.
- (b) The registered office of the Company is situated at P.O. Box 309, Uglund 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 9/F, New World Tower 1, 18 Queen's Road Central, Hong Kong
- (d) The Hong Kong share registrar and transfer office of the Company is Standard Registrars Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (e) The secretary of the Company is Ms. Ngan Man-ying, Lynda *FCCA CPA*.
- (f) The qualified accountant of the Company is Ms. Ngan Man-ying, Lynda *FCCA CPA*.

DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Beijing Huamei Cooperation Agreement is available for inspection at the principal place of business in Hong Kong of the Company at 9/F, New World Tower 1, 18 Queen's Road Central, Hong Kong during normal business hours from the date of this circular up to and including 13 June 2006.