

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This document, for which the Directors of New World Development Company Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to New World Development Company Limited. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

If you are in any doubt as to any aspect of this document or as to the action you should take, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in **NEW WORLD DEVELOPMENT COMPANY LIMITED**, you should at once hand this document and the accompanying proxy form to the purchaser or to the bank, the licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser.

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新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

**PROPOSALS INVOLVING
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES
APPROVAL OF TERMINATION OF EXISTING SHARE OPTION SCHEME
OF NEW WORLD CHINA LAND LIMITED
APPROVAL OF NEW SHARE OPTION SCHEME OF
NEW WORLD CHINA LAND LIMITED
APPROVAL OF NEW SHARE OPTION SCHEME AND
REFRESHMENT OF THE 10% LIMIT ON
GRANT OF OPTIONS OF
NWS HOLDINGS LIMITED
AND RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of New World Development Company Limited (the "Company") to be held at Meeting Room N101B (Expo Drive Entrance), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Tuesday, 22 November 2011, at 11:45 a.m. is set out on pages 36 to 40 of this document. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude shareholders from attending and voting at the annual general meeting if they so wish.

20 October 2011

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Meeting Room N101B (Expo Drive Entrance), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Tuesday, 22 November 2011 at 11:45 a.m., notice of which is set out on pages 36 to 40 of this document
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance, the shares of which are listed on the Stock Exchange
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Latest Practicable Date”	13 October 2011, being the latest practicable date prior to the printing of this document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NWCL”	New World China Land Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange and held as to approximately 70% attributable interests by the Company as at the Latest Practicable Date
“NWCL Annual General Meeting”	the annual general meeting of NWCL convened to be held on 22 November 2011 at 11:00 a.m.
“NWCL Existing Share Option Scheme”	the existing share option scheme of NWCL which was adopted on 26 November 2002 and will expire on 25 November 2012

DEFINITIONS

“NWCL New Share Option Scheme”	the share option scheme of NWCL proposed to be conditionally approved and adopted at NWCL Annual General Meeting, a summary of the principal terms of which is set out in Appendix II to this document
“NWCL Shares”	share(s) of HK\$0.10 each in the share capital of NWCL
“NWS”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange and held as to approximately 59.79% interests by the Company as at the Latest Practicable Date
“NWS Annual General Meeting”	the annual general meeting of NWS convened to be held on 21 November 2011 at 11:45 a.m.
“NWS Existing Share Option Scheme”	the existing share option scheme of NWS which was adopted on 6 December 2001 and will expire on 6 December 2011
“NWS New Share Option Scheme”	the share option scheme of NWS proposed to be conditionally approved and adopted at NWS Annual General Meeting, a summary of the principal terms of which is set out in Appendix III to this document
“NWS Shares”	share(s) of HK\$1.00 each in the share capital of NWS
“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution no.5 of the notice of the Annual General Meeting
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	fully paid-up share(s) of HK\$1.00 each in the share capital of the Company

DEFINITIONS

“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong



新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)
(Stock Code: 0017)

Directors:

Executive Directors:

Dato' Dr. CHENG Yu-Tung (*Chairman*)
Dr. CHENG Kar-Shun, Henry (*Managing Director*)
Dr. SIN Wai-Kin, David
Mr. LIANG Chong-Hou, David
Mr. CHENG Chi-Kong, Adrian
Mr. CHENG Chi-Heng

Non-executive directors:

Mr. CHENG Kar-Shing, Peter
Mr. LEUNG Chi-Kin, Stewart
Mr. CHOW Kwai-Cheung
Mr. LIANG Cheung-Biu, Thomas
Ms. KI Man-Fung, Leonie, JP

Independent non-executive directors:

Mr. YEUNG Ping-Leung, Howard
Dr. CHA Mou-Sing, Payson, JP
(*alternate director to Dr. Cha Mou-Sing, Payson:*
Mr. CHA Mou-Zing, Victor)
Mr. HO Hau-Hay, Hamilton
Mr. LEE Luen-Wai, John, JP

Registered Office:

30th Floor,
New World Tower,
18 Queen's Road Central,
Hong Kong.

20 October 2011

*To the shareholders and, for information purposes only,
the holders of the outstanding share options of the Company*

Dear Sir or Madam,

**PROPOSALS INVOLVING
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES
APPROVAL OF TERMINATION OF EXISTING SHARE OPTION SCHEME
OF NEW WORLD CHINA LAND LIMITED
APPROVAL OF NEW SHARE OPTION SCHEME OF
NEW WORLD CHINA LAND LIMITED
APPROVAL OF NEW SHARE OPTION SCHEME AND
REFRESHMENT OF THE 10% LIMIT ON
GRANT OF OPTIONS OF
NWS HOLDINGS LIMITED
AND RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information, and to seek your approval for the proposals involving general mandates to allot, issue and deal with Shares

LETTER FROM THE MANAGING DIRECTOR

and to repurchase Shares, approval of the termination of the operation of the NWCL Existing Share Option Scheme, approval of the NWCL New Share Option Scheme, the NWS New Share Option Scheme and refreshment of the 10% limit on grant of options of NWS and re-election of retiring Directors at the Annual General Meeting.

2. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 24 November 2010, a general mandate was given to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. The Directors propose to seek your approval of the Repurchase Resolution to be proposed at the Annual General Meeting. An explanatory statement as required under the Share Repurchase Rules to provide the requisite information of the Repurchase Proposal is set out in Appendix I hereto.

3. GENERAL MANDATE TO ISSUE SHARES

It will also be proposed at the Annual General Meeting two ordinary resolutions respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company at the date of the resolution and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the general mandate to repurchase up to 10% of the issued share capital of the Company at the date of the Repurchase Resolution.

4. TERMINATION OF THE NWCL EXISTING SHARE OPTION SCHEME

At the Annual General Meeting, an Ordinary Resolution will be proposed for the Company to approve the termination of the operation of the NWCL Existing Share Option Scheme upon the adoption of the NWCL New Share Option Scheme (such that no further options could thereafter be offered under the NWCL Existing Share Option Scheme) but in all other respects, the provisions of the NWCL Existing Share Option Scheme shall remain in force and effect and options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the NWCL Existing Share Option Scheme.

5. APPROVAL OF THE NWCL NEW SHARE OPTION SCHEME

At the Annual General Meeting, an Ordinary Resolution will be proposed for the Company to approve the NWCL New Share Option Scheme. A summary of the principal terms of the NWCL New Share Option Scheme is set out in Appendix II to this document.

LETTER FROM THE MANAGING DIRECTOR

The NWCL Existing Share Option Scheme will expire on 25 November 2012. The NWCL New Share Option Scheme, which will replace the NWCL Existing Share Option Scheme and will be valid for 10 years from the date of its adoption, will provide NWCL with more flexibility in long term planning of granting of the share options to eligible employees in a longer period in the future, e.g. considering granting share options after the expiry of the NWCL Existing Share Option Scheme. The NWCL New Share Option Scheme also provides an opportunity for the employees to participate in the equity of NWCL as well as to motivate them to optimize their performance.

The rules of the NWCL New Share Option Scheme provide that NWCL may specify the eligible employee to whom options shall be granted, the number of NWCL Shares subject to each option and the date on which the options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the NWCL New Share Option Scheme. Also, there is no performance target specified in the NWCL New Share Option Scheme. The directors of NWCL consider that the aforesaid criteria and rules will serve to preserve the value of NWCL and encourage eligible employee to acquire proprietary interests in NWCL.

As at the Latest Practicable Date, there were an aggregate of 5,762,612,911 NWCL Shares in issue. Assuming no NWCL Shares will be issued or repurchased from the Latest Practicable Date to the date of the NWCL Annual General Meeting on which the NWCL New Share Option Scheme is expected to be conditionally approved and adopted by the shareholders of NWCL, the maximum number of NWCL Shares that can be issued upon exercise of the options that may be granted under the NWCL New Share Option Scheme and any other scheme is 576,261,291 NWCL Shares, representing 10% of the NWCL Shares in issue.

None of the directors of NWCL is trustee of the NWCL New Share Option Scheme or has a direct or indirect interest in the trustee.

The directors of NWCL consider that it is inappropriate to state the value of the options that can be granted pursuant to the NWCL New Share Option Scheme as if they had been granted on the Latest Practicable Date prior to its adoption by the shareholders of NWCL given that a number of variables which are necessary for the calculation of the value of the options cannot be ascertained at this stage. Such variables include the exercise price, exercisable period, interest rate, expected stock price volatility and other variables. With a scheme life of ten years, the directors of NWCL are of the view that it is too premature to state whether or not options will be granted under the NWCL New Share Option Scheme, and if so, the number of options that may be granted. It is also difficult to ascertain with accuracy the subscription price of the NWCL Shares given the volatility which the NWCL Share price may be subject to during the 10-year duration of the NWCL New Share Option Scheme. In the circumstances, the directors of NWCL are of the view that the value of the options depends on a number of variables which are either difficult to evaluate or can only be evaluated subject to a number of theoretical basis and speculative assumptions. Accordingly, the directors of NWCL believed that any calculation of the value of the options will not be meaningful and may be misleading to the shareholders of NWCL in the circumstances.

LETTER FROM THE MANAGING DIRECTOR

However, in the event that the NWCL New Share Option Scheme is adopted by the shareholders of NWCL and options are granted thereunder, the value of the options will be given in the interim report and annual report of NWCL as required by the Listing Rules.

The NWCL New Share Option Scheme is conditional upon, among other things, the shareholders of the Company passing a resolution at the Annual General Meeting to approve the adoption of the NWCL New Share Option Scheme by NWCL.

6. APPROVAL OF THE NWS NEW SHARE OPTION SCHEME

At the Annual General Meeting, an Ordinary Resolution will also be proposed for the Company to approve the NWS New Share Option Scheme. A summary of the principal terms of the NWS New Share Option Scheme is set out in Appendix III to this document.

The NWS Existing Share Option Scheme will expire on 6 December 2011. The NWS New Share Option Scheme was proposed so that options may be granted to the eligible participants pursuant to the terms thereof.

The rules of the NWS New Share Option Scheme provide that NWS may specify the eligible participant to whom options shall be granted, the number of NWS Shares subject to each option and the date on which the options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the NWS New Share Option Scheme. The board of NWS considers that the aforesaid criteria and rules will serve to preserve the value of NWS and encourage eligible participants to acquire proprietary interests in NWS.

As at the Latest Practicable Date, there were an aggregate of 3,387,844,755 NWS Shares in issue. Assuming no NWS Shares will be issued or repurchased from the Latest Practicable Date to the date of the NWS Annual General Meeting on which the NWS New Share Option Scheme is expected to be conditionally approved and adopted by the shareholders of NWS, the maximum number of NWS Shares that can be issued upon exercise of the options that may be granted under the NWS New Share Option Scheme and any other scheme is 338,784,475 NWS Shares, representing 10% of the NWS Shares in issue.

No director of NWS is a trustee of the NWS New Share Option Scheme or has a direct or indirect interest in the trustee of the NWS New Share Option Scheme, if any.

The board of directors of NWS considers that it is inappropriate to state the value of the options as if they had been granted on the Latest Practicable Date given that a number of variables which are necessary for the calculation of the value of the options cannot be ascertained at this stage. Such variables include the exercise price, exercise period, interest rate and other relevant variables. The board of directors of NWS believes that any calculation of such value of the options on the Latest Practicable Date would be based on a number of speculative assumptions and would therefore not be meaningful but would instead be misleading to the shareholders of NWS.

LETTER FROM THE MANAGING DIRECTOR

However, in the event that the NWS New Share Option Scheme is adopted by the shareholders of NWS and options are granted thereunder, the value of the options will be given in the interim report and annual report of NWS as required by the Listing Rules.

The NWS New Share Option Scheme is conditional upon, among other things, the shareholders of the Company passing a resolution at the Annual General Meeting to approve the adoption of the NWS New Share Option Scheme by NWS.

7. REFRESHMENT OF THE 10% LIMIT ON GRANT OF OPTIONS OF NWS

The 10% limit for granting of options under the NWS Existing Share Option Scheme was refreshed on 12 March 2003, which enables the directors of NWS to grant options to the eligible participants to subscribe for up to 178,075,900 NWS Shares. If the existing limit is not refreshed, NWS would be allowed to grant options to subscribe up to 101,126,105 NWS Shares, representing approximately 2.98% of the NWS Shares in issue as at the Latest Practicable Date. In order to provide NWS with more flexibility in providing incentives to the eligible participants by way of granting of options, the board of NWS decides to seek the approval of the shareholders of NWS to refresh the existing 10% limit so that the total number of NWS Shares which may be issued upon exercise of all options to be granted under the NWS Existing Share Option Scheme and any other scheme(s) of NWS, including the NWS New Share Option Scheme, shall not exceed 10% of the NWS Shares in issue as at the date of passing of the relevant resolution at the NWS Annual General Meeting. Options previously granted under the NWS Existing Share Option Scheme (including options outstanding, cancelled or lapsed in accordance with the relevant scheme rules and exercised options) will not be counted for the purpose of calculating the 10% limit as refreshed.

As at the Latest Practicable Date, there were in issue 3,387,844,755 NWS Shares and a total of 32,248,510 outstanding share options, representing approximately 0.95% of the issued share capital of NWS as at the Latest Practicable Date, granted under the NWS Existing Share Option Scheme at the exercise prices of HK\$10.672 (as to 31,185,959 share options) and HK\$13.570 (as to 1,062,551 share options) per NWS Share. Save and except for these outstanding share options, there are no share options granted under the NWS Existing Share Option Scheme and any other share option scheme(s) of NWS which remained outstanding as at the Latest Practicable Date.

If the 10% limit on grant of options is refreshed, on the basis of 3,387,844,755 NWS Shares in issue as at the Latest Practicable Date and assuming no further issue or repurchase of NWS Shares prior to the NWS Annual General Meeting, NWS may grant options entitling holders thereof to subscribe for a total of 338,784,475 NWS Shares (representing approximately 10% of the NWS Shares in issue as at the date of the NWS Annual General Meeting approving the refreshment of the said 10% limit).

LETTER FROM THE MANAGING DIRECTOR

Pursuant to the Listing Rules, the maximum number of NWS Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the NWS Existing Share Option Scheme and any other share option scheme(s) of NWS at any time must not in aggregate exceed 30% of the NWS Shares in issue from time to time. No options shall be granted under any scheme(s) of NWS if this will result in the 30% limit being exceeded.

The purpose of the NWS Existing Share Option Scheme and the NWS New Share Option Scheme is to provide incentive or reward to directors and employees of the group of NWS for their contribution to and continuing efforts to promote the interests of NWS. The directors of NWS consider that the refreshment of the 10% limit is in the interests of NWS and its shareholders as a whole.

The refreshment of the 10% limit on grant of options is conditional upon, among other things, the passing of an ordinary resolution by the shareholders of the Company at the Annual General Meeting to approve the refreshment of the 10% limit.

8. RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Article 103(A) of the Articles of Association of the Company, Dr. Cheng Kar-Shun, Henry, Dr. Sin Wai-Kin, David, Mr. Liang Chong-Hou, David, Mr. Yeung Ping-Leung, Howard and Dr. Cha Mou-Sing, Payson shall retire from office and being eligible, offer themselves for re-election at the Annual General Meeting.

Details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix IV hereto.

9. ANNUAL GENERAL MEETING

Set out on pages 36 to 40 of this document is the notice convening the Annual General Meeting to be held at Meeting Room N101B (Expo Drive Entrance), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Tuesday, 22 November 2011 at 11:45 a.m..

At the Annual General Meeting, resolutions will be proposed to the Shareholders in respect of ordinary business to be considered at the Annual General Meeting, including the re-election of Directors, and special business to be considered at the Annual General Meeting, being the Ordinary Resolutions proposed to approve the general mandates to repurchase Shares and to issue new Shares, the extension of the general mandate to issue new Shares, the termination of the operation of the NWCL Existing Share Option Scheme, the NWCL New Share Option Scheme, the NWS New Share Option Scheme and refreshment of the 10% limit on grant of options of NWS.

LETTER FROM THE MANAGING DIRECTOR

10. ACTION TO BE TAKEN

A proxy form for use at the Annual General Meeting is enclosed herewith. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the proxy form and return it to the Company's share registrar, Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof (as the case may be). Completion and return of a proxy form will not prevent Shareholders from attending and voting at the Annual General Meeting if they so wish.

11. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the Annual General Meeting will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the NWCL New Share Option Scheme and the NWS New Share Option Scheme will be available for inspection at the registered office of the Company during normal business hours from the date of this circular up to and including the date of the Annual General Meeting and at the Annual General Meeting.

13. RECOMMENDATION

The Directors believe that the Repurchase Proposal, the proposed general mandate for Directors to issue new Shares, the proposal for approval of the termination of the operation of the NWCL Existing Share Option Scheme, the proposals for approval of the NWCL New Share Option Scheme, the NWS New Share Option Scheme and refreshment of the 10% limit on grant of options of NWS and the proposed re-election of the retiring Directors are all in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions to be proposed at the Annual General Meeting to give effect to them.

Yours faithfully,
For and on behalf of
New World Development Company Limited
Dr. CHENG Kar-Shun, Henry
Managing Director

This appendix serves as an explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to provide you with the information necessary for your consideration of the Repurchase Proposal.

This appendix also constitutes the memorandum required under Section 49BA(3) of the Companies Ordinance.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,990,125,002 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Resolution to repurchase a maximum of 399,012,500 Shares representing not more than 10% of the issued share capital of the Company at the Latest Practicable Date.

2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASE

In repurchasing any Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the Companies Ordinance. The Companies Ordinance provides that the amount of capital repaid in connection with a share repurchase may only be paid from the distributable profits of the Company and/or the proceeds of a new issue of Shares, made for the purpose of the repurchase to such an extent allowable under the Companies Ordinance.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 30 June 2011 in the event that the power to repurchase Shares pursuant to the Repurchase Proposal was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the power to repurchase Shares pursuant to the Repurchase Proposal to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve months before the Latest Practicable Date are as follows:-

	Shares	
	Highest HK\$	Lowest HK\$
October 2010	17.10	15.16
November 2010	17.98	14.80
December 2010	15.72	14.14
January 2011	16.48	14.56
February 2011	15.18	13.50
March 2011	14.74	13.04
April 2011	14.40	13.48
May 2011	13.78	12.80
June 2011	13.48	11.40
July 2011	12.28	10.98
August 2011	11.68	8.97
September 2011	10.28	7.28
October 2011 (up to the Latest Practicable Date)	8.92	7.00

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Resolution and in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Proposal if such is approved by the Shareholders.

No other connected persons of the Company (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the Shareholders.

6. TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Proposal, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Cheng Yu Tung Family (Holdings) Limited, indirectly through its subsidiaries, held 1,616,317,561 Shares representing approximately 40.51% of the issued share capital of the Company. In the event the Directors exercised in full the power to repurchase Shares pursuant to the Repurchase Proposal, then (if the present shareholding remains the same) the deemed interest of Cheng Yu Tung Family (Holdings) Limited would be increased to approximately 45.01% of the issued share capital of the Company.

In the event that the Repurchase Proposal is exercised in full, an obligation to make a general offer to Shareholders under Rules 26 and 32 of the Takeovers Code may arise. The Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Proposal to such an extent as to result in takeover obligations. In the event that the Repurchase Proposal is exercised in full, the number of Shares held by the public would not fall below 25%.

7. SHARE REPURCHASES MADE BY THE COMPANY

The Company had not purchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The following is a summary of the principal terms of the NWCL New Share Option Scheme to be approved at the Annual General Meeting, but such summary does not form part of, nor was it intended to be, part of the NWCL New Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the NWCL New Share Option Scheme:

(1) Purpose of the NWCL New Share Option Scheme

The purpose of the NWCL New Share Option Scheme is to provide an opportunity for the employees and directors of NWCL and its subsidiaries (the “NWCL Group”) to participate in the equity of NWCL as well as to motivate them to optimize their performance.

(2) Participants and eligibility

The directors of NWCL may, in their absolute discretion, invite any full-time or part-time employee of the NWCL Group, including any director of the NWCL Group, to take up an option to subscribe for NWCL Shares.

(3) Grant of option

An option shall be deemed to have been granted by NWCL and accepted by the eligible person and to have taken effect when the duplicate offer letter constituting acceptance of the option duly signed by the eligible person together with a remittance in favour of NWCL of HK\$10.00 by way of consideration for the grant thereof are received by NWCL on or before the relevant acceptance date being a date within 28 days after the date on which the option is offered. Such remittance shall in no circumstances be refundable.

(4) Option period

Subject to the provisions in paragraphs (7)(i) to (iv) below, an option may be exercised at any time during a period to be notified by the directors of NWCL to each eligible person and such period will not exceed five years commencing on the expiry of one month after the date on which the option is accepted and expiring on a date not later than the last day of the five-year period. No performance targets must be achieved before an option can be exercised but the option granted must be held for a minimum of one month before the option can be exercised.

(5) Exercise price

The exercise price in relation to each option offered shall be determined by the directors of NWCL in their absolute discretion but in any event shall be at least the higher of (a) the closing price of the NWCL Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant, which must be a business day; and (b) the average closing price of the NWCL Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant.

(6) Transferability of options

An option shall be personal to the holder of the option and shall not be assignable and no option holder shall sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any option.

(7) Loss of eligibility

- (i) In the event of the option holder ceasing to be an employee for any reason other than his or her death or the termination of his or her employment on one or more of the grounds specified in paragraph (9)(iv) below, the option holder may exercise the option up to his or her entitlement at the date of cessation (to the extent not already exercised) within the period of one month following the date of such cessation, which date shall be the last actual working day with the NWCL Group whether salary is paid in lieu of notice or not.
- (ii) In the event that the option holder ceases to be an employee by reason of death and none of the events which would be a ground for termination of his or her employment under paragraph (9)(iv) below arises, the legal personal representative(s) of the option holder shall be entitled within a period of 12 months from the date of death (or such longer period as the directors of NWCL may determine) to exercise the option in full (to the extent not already exercised).
- (iii) If a general offer is made to all the holders of NWCL Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional, the option holder (or his or her legal personal representatives) shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.
- (iv) In the event of an effective resolution being passed for the voluntary winding-up of NWCL, the option holder (or his or her legal personal representatives) may by notice in writing to NWCL within 21 days after the date of such resolution elect to be treated as if the option (to the extent not already exercised) had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in the notice, such notice to be accompanied by a remittance for the full amount of the exercise price for the NWCL Shares in respect of which the option (or any extent thereof) is exercised, whereupon the option holder will be entitled to receive out of the assets available in the liquidation such sum as would have been received in respect of the NWCL Shares which are the subject of his election had they been allotted and issued on the day prior to the date of the resolution.

(8) Rights attaching to NWCL Shares

The NWCL Shares to be issued upon the exercise of an option will be subject to all the provisions of the articles of association of NWCL for the time being in force and will rank pari passu in all respect with the fully paid NWCL Shares in issue on the date of issue and accordingly will entitle the holders to have the same rights on voting and transfer as well as the rights to participate in all dividends or other distributions paid or made on or after the date of issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of issue.

(9) Lapse of options

An option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the option period;
- (ii) the expiry of any of the periods referred to in paragraphs (7)(i), (7)(ii), (7)(iii) or (7)(iv);
- (iii) subject to paragraph (7)(iv), the date of the commencement of the winding-up of NWCL;
- (iv) the date on which the option holder ceases to be an eligible person by reason of the termination of his or her employment on any one or more of the grounds that he or she has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the option holder's service contract with the NWCL Group; or
- (v) the date on which the option holder commits a breach of paragraph (6) above.

(10) Cancellation of options

Options granted but not exercised may be cancelled if the option holder so agrees and new options may only be made to the same option holder under the NWCL New Share Option Scheme with available unissued options (excluding the cancelled options) within the limit approved by the shareholders of NWCL as mentioned in paragraph (11) below.

(11) Total number of NWCL Shares available for subscription

- (i) The total number of NWCL Shares which may be issued upon exercise of all options to be granted under the NWCL New Share Option Scheme and any other schemes of NWCL must not in aggregate exceed 10% of the NWCL Shares in issue as at the date of approval of the NWCL New Share Option Scheme. Options lapsed in accordance with the terms of the NWCL New Share Option Scheme and any other schemes of NWCL will not be counted for the purpose of calculating the 10% limit.
- (ii) The 10% limit may be “refreshed” with the approval of shareholders of NWCL in general meeting. However, the total number of NWCL Shares which may be issued upon exercise of all options to be granted under all of the schemes of NWCL under the limit as “refreshed” must not exceed 10% of NWCL Shares in issue as at the date of approval of the “refreshed” limit. Options previously granted under all the schemes of NWCL (including those outstanding, cancelled, lapsed in accordance with the schemes or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”.
- (iii) NWCL may seek separate approval by the shareholders of NWCL in general meeting for granting options beyond the 10% limit provided the options in excess of the limit are granted only to the eligible person specifically identified by NWCL before such approval is sought. NWCL must send a circular to the shareholders of NWCL containing a generic description of the specified eligible persons who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified eligible persons with an explanation as to how the terms of the options serve such purpose, the information required under rule 17.02(2)(d) and the disclaimer required under rule 17.02(4) of the Listing Rules.
- (iv) The limit on the number of NWCL Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the NWCL New Share Option Scheme and any other schemes must not exceed 30% of the NWCL Shares in issue from time to time. No options may be granted under any schemes of NWCL if this will result in the limit being exceeded.

(12) Maximum entitlement of each eligible person

- (i) The total number of NWCL Shares issued and to be issued upon exercise of the options granted to each eligible person (including options exercised, cancelled and outstanding) in any 12-month period must not exceed 1% of the NWCL Shares in issue.

- (ii) NWCL may grant further options in excess of such limit subject to the approval of the shareholders of NWCL in general meeting with such eligible person and his associates (as defined under Rule 1.01 of the Listing Rules in relation to any director, chief executive or substantial shareholder of NWCL (being an individual)) abstaining from voting.
- (iii) NWCL must send a circular to the shareholders of NWCL and the circular must disclose the identity of such eligible person, the number and terms of the options to be granted (and options previously granted to such eligible person), the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules. The number and terms (including the exercise price) of options to be granted to such eligible person must be fixed before approval of the shareholders of NWCL and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price.

(13) Grant of options to a director, chief executive or substantial shareholder of NWCL, or any of their respective associates

Each grant of options to a director, chief executive or substantial shareholder of NWCL, or any of their respective associates must be approved by independent non-executive directors of NWCL (excluding independent non-executive director who is the option holder). Where any grant of options to a substantial shareholder or an independent non-executive director of NWCL, or any of his respective associates, would result in the NWCL Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the NWCL Shares in issue; and
- (b) having an aggregate value, based on the closing price of the NWCL Shares at the date of each grant, in excess of HK\$5 million,

such further grant of options must be approved by the shareholders of NWCL. NWCL must send a circular to the shareholders of NWCL. All connected persons of NWCL must abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken in the meeting to approve the grant of options must be taken on a poll. The circular must contain:

- (1) details of the number and terms (including the exercise price) of the options to be granted to each such person, which must be fixed before the shareholders' meeting of NWCL and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price;

- (2) a recommendation from the independent non-executive directors of NWCL (excluding independent non-executive director who is the option holder) to the independent shareholders as to voting;
- (3) the information required under Rules 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (4) the information required under Rule 2.17 of the Listing Rules.

(14) Adjustments

In the event of any alteration in the capital structure of NWCL whilst any option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, sub-division or reduction of the share capital of NWCL (other than an issue of NWCL Shares as consideration in respect of a transaction to which NWCL is a party), such corresponding alterations (if any) shall be made in:

- (i) the subject matter of the option so far as unexercised; and/or
- (ii) the exercise price; and/or
- (iii) the method of exercise of the option,

as the auditors shall certify in writing to the directors of NWCL to be in their opinion fair and reasonable and that any such alterations shall satisfy the requirements set out in the note to Rule 17.03(13) of the Listing Rules, provided that any alteration shall be made on the basis that the proportion of the issued share capital of NWCL to which an option holder is entitled to subscribe pursuant to the option held by him or her after such alteration shall remain the same as that to which he or she was entitled before such alteration, but so that no such alteration shall be made the effect of which would be to enable any NWCL Share to be issued at less than its nominal value.

The maximum number of NWCL Shares subject to the NWCL New Share Option Scheme will be adjusted, in such manner as the auditors shall certify in writing to the directors of NWCL to be fair and reasonable and that any such alterations shall satisfy the requirements set out in the note to Rule 17.03(13) of the Listing Rules, in the event of any alteration in the capital structure of NWCL whether by way of consolidation, subdivision or reduction of the share capital of NWCL provided that no such adjustment shall be made in the event of an issue of NWCL Shares as consideration in respect of a transaction to which NWCL is a party.

(15) Alteration

- (i) The NWCL New Share Option Scheme may be altered in any respect by resolution of the directors of NWCL except that the provisions of the NWCL New Share Option Scheme relating to matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of option holders or prospective option holders except with the prior approval of shareholders of NWCL in general meeting.

- (ii) No alteration shall be made to the NWCL New Share Option Scheme which would operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the option holders as would be required of the shareholders of NWCL under the articles of association for the time being of NWCL for a variation of the rights attached to the NWCL Shares.
- (iii) Any alterations to the terms and conditions of the NWCL New Share Option Scheme which are of a material nature or any change to the terms of options granted must be approved by the shareholders of NWCL, except where such alterations take effect automatically under the existing terms of the NWCL New Share Option Scheme.
- (iv) The amended terms of the NWCL New Share Option Scheme or the options must comply with Chapter 17 of the Listing Rules.
- (v) Any change to the authority of the directors of NWCL in relation to any alteration to the terms of the NWCL New Share Option Scheme must be approved by the shareholders of NWCL in general meeting.

(16) Duration of the NWCL New Share Option Scheme

The NWCL New Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the NWCL New Share Option Scheme is adopted by the shareholders of NWCL in general meeting, after which period no further options will be granted but the provisions of the NWCL New Share Option Scheme shall remain in full force and effect in all other respects, and options which are granted during the duration of the NWCL New Share Option Scheme and remain unexercised immediately prior to the end of the ten-year period shall continue to be exercisable in accordance with their terms of grant.

(17) Termination of the NWCL New Share Option Scheme

NWCL by resolution in general meeting may at any time terminate the operation of the NWCL New Share Option Scheme and in such event no further options will be offered but the provisions of the NWCL New Share Option Scheme shall remain in force and effect and any options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the terms of the NWCL New Share Option Scheme.

The following is a summary of the principal terms of the NWS New Share Option Scheme to be approved at the Annual General Meeting, but such summary does not form part of, nor was it intended to be, part of the NWS New Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the NWS New Share Option Scheme:

1. Purpose of the NWS New Share Option Scheme

The primary purpose of the NWS New Share Option Scheme is to reward directors and employees of the NWS and its subsidiaries (the “NWS Group”) for their past service and performance, to provide incentive, motivation or reward to the eligible participants for optimizing their performance or making contribution to the NWS Group, to attract and retain persons of right caliber with the necessary experience to work for or make contribution to the NWS Group and fostering a sense of corporate identity.

2. Duration of the NWS New Share Option Scheme

The duration of the NWS New Share Option Scheme is 10 years from the date when it was adopted by NWS pursuant to an ordinary resolution passed on that date. NWS may, however, by resolution in general meeting terminate the NWS New Share Option Scheme at any time.

3. Who may join

Any person falling within any class of the eligible participants may, at the discretion of the board of directors of NWS, be offered the options under the NWS New Share Option Scheme to subscribe for such number of new NWS Shares as the board of directors of NWS may determine at the exercise price calculated in accordance with paragraph 5 below. An eligible participant may be a person or entity belonging to any of the following classes:

- (i) any eligible employee;
- (ii) any non-executive director (including independent non-executive director) of NWS, any subsidiary or any invested entity;
- (iii) any supplier of goods or services to any member of the NWS Group or any invested entity;
- (iv) any customer of any member of the NWS Group or any invested entity;
- (v) any person or entity that provides research, development or other technological support to the NWS Group or any invested entity;
- (vi) any shareholder of any member of the NWS Group or any invested entity or any holder of any securities issued by any member of the NWS Group or any invested entity;

- (vii) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the NWS Group or any invested entity; and
- (viii) any joint venture partner or business alliance that co-operates with any member of the NWS Group or any invested entity in any area of business operation or development.

The basis of eligibility of any of the eligible participants to an offer for grant of any option shall be determined by the directors of NWS from time to time on the basis of their contribution to the development and growth of the NWS Group.

Upon acceptance of the option, the grantee shall pay the sum of HK\$10 to NWS by way of consideration for the grant.

4. Performance target

Unless the directors of NWS otherwise determined and stated in the terms of offer for the grant in respect of the option, no performance target is required to be achieved before any option can be granted to or exercised by the grantee.

5. Exercise price

The price per NWS Share payable on exercise of an option shall be the higher of: (i) the closing price of the NWS Share as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a dealing day; (ii) the average closing price of the NWS Share as stated in the Stock Exchange's daily quotations sheets for the five dealing days immediately preceding the date of grant; and (iii) the nominal value of the NWS Share. The exercise price is subject to adjustment in the circumstances stated in paragraph 15(a).

6. Limit on number of NWS Shares that can be issued

(a) Outstanding Options limit

The maximum number of NWS Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the NWS New Share Option Scheme and any other share option schemes of NWS must not exceed 30% of the NWS Shares in issue from time to time. No option may be granted under any share option scheme of NWS if this will result in the limit being exceeded.

(b) Renewable 10% limit

The total number of NWS Shares which may be issued upon exercise of all options to be granted under the NWS New Share Option Scheme and any other share option schemes of NWS must not in aggregate exceed 10% of the NWS Shares in issue as at the date of approval of the NWS New Share Option Scheme. Options lapsed in accordance with the terms of the NWS New Share Option Scheme and any other share option schemes of NWS will not be counted for the purpose of calculating the 10% limit.

(c) *Approval for renewal of 10% limit*

NWS may seek approval from the shareholders of NWS for “refreshing” the 10% limit. However, the total number of NWS Shares which may be issued upon exercise of all options to be granted under the NWS New Share Option Scheme and any other share option schemes of NWS under the limit as “refreshed” must not exceed 10% of the NWS Shares in issue as at the date of approval of the “refreshed” limit. Options previously granted under the NWS New Share Option Scheme and any other share option schemes of NWS, including those outstanding, cancelled, lapsed or exercised options in accordance with the NWS New Share Option Scheme and any other share option schemes of NWS will not be counted for the purpose of calculating the limit as “refreshed”.

(d) *Specific approval for excess grant*

NWS may seek separate approval from the shareholders of NWS for the grant of options beyond the 10% limit provided that the options in excess of the limit are granted only to the eligible participants specifically identified by NWS before such approval is sought.

7. Single participant limit

Unless approved by the shareholders of NWS, the total number of NWS Shares issued and to be issued upon exercise of the options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the NWS Shares in issue.

Where any further grant of options to an eligible participant would result in the NWS Shares issued and to be issued upon exercise of all options granted and to be granted to that eligible participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the NWS Shares in issue, such further grant must be separately approved by the shareholders of NWS with that eligible participant and his associates abstaining from voting.

8. Grant of options to connected persons

(a) *Grant to director, chief executive or substantial shareholder*

Each grant of options to a director of NWS, chief executive or substantial shareholder of NWS, or any of their respective associates must be approved by the independent non-executive directors of NWS (excluding any non-executive director of NWS who or whose associate is the proposed grantee of the option).

(b) *Grant to independent non-executive director*

If a grant of options is made to an independent non-executive director of NWS, that director of NWS must abstain from voting for approving such grant and that the consent for making such grant from the other independent non-executive director(s) of NWS under the resolution of the directors of NWS must also be obtained.

(c) *Limit on grants within 12 months*

Where any grant of options to a substantial shareholder of NWS or an independent non-executive director of NWS, or any of their respective associates, will result in the NWS Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the NWS Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the NWS Shares as at the date of such grant, in excess of HK\$5 million,

such further grant of options must be approved by the shareholders of NWS. NWS must send a circular to its shareholders. All connected persons (as defined in the Listing Rules) of NWS must abstain from voting at such general meeting, except that any connected person (as defined in the Listing Rules) may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken in the meeting to approve such grant of options must be taken on a poll, and the circular must contain:

- (aa) details of the number and terms (including the exercise price) of the options to be granted to each such person, which must be fixed before the general meeting and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price;
- (bb) a recommendation from the independent non-executive director of NWS (excluding the independent non-executive director who is the grantee of the options) to the independent shareholders of NWS as to voting;
- (cc) the information required under Rules 17.02(2)(c) and (d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (dd) the information required under Rule 2.17 of the Listing Rules.

(d) *Variation of terms*

Any change in the terms of options granted to an option holder who is a substantial shareholder of NWS or an independent non-executive director of NWS, or any of their respective associates must be approved by the shareholders of NWS at general meeting.

9. Procedures for acceptance of options

An offer of the grant of options shall be made to an eligible participant by letter in such form as the directors of NWS may from time to time determine and shall be open for acceptance within a period of 14 days from the offer date. An option shall be deemed to have been granted and accepted on the offer date provided that acceptance is received by NWS within the 14-day period together with the required payment of consideration for such grant. Any offer of the grant of options not accepted within the 14-day period shall lapse.

10. Restriction on transfer of options

An option shall be personal to the option holder and shall not be transferred, charged, mortgaged or assigned (save that the option holder may have the NWS Shares to be issued on the exercise of his option to be registered in the name of a nominee holding in trust for him).

11. Exercise of options

An option may be exercised by the option holder in accordance with the terms of the offer for the grant during such option period (being not more than 10 years from the date of grant) for the whole or such parcels of the NWS Shares as shall be granted as the directors of NWS shall determine and notified to the option holder.

Unless otherwise determined by the directors of NWS and stated in the terms of the grant in respect of the options, there is no minimum period required under the NWS New Share Option Scheme for the holding of an option before it can be exercised.

An option can be exercised in whole or in part provided it is exercised in respect of a board lot for dealing in NWS Shares on the Stock Exchange or an integral multiples thereof by giving written notice to NWS stating that the option is thereby exercised and the number of NWS Shares in respect of which the option is exercised. Unless otherwise agreed between NWS and the option holder, NWS shall issue the relevant NWS Shares to the grantee and/or his nominee within 30 days from receipt of the option exercise notice.

12. Lapse of options*(a) Expiry of option period*

An option shall lapse and cease to be exercisable (to the extent not already exercised) on expiry of the option period as specified by the directors of NWS under the grant.

(b) On cessation of being an eligible employee

If an option holder, being an eligible employee, ceases to be an eligible employee under any of the following circumstances:

(i) On ill-health, disability, death or retirement of an eligible employee

in the event that the employment of an eligible employee is terminated by reason of ill-health, disability (all evidenced to the satisfaction of the directors of NWS), death or retirement in accordance with the retirement policy of the NWS Group as adopted by NWS from time to time (if any), he or (as the case may be) his personal representatives may exercise all his options within a period being the earlier of one year after the termination of employment or the expiration of the relevant option period. Any option not so exercised shall lapse and determine at the end of the said period;

(ii) On voluntary termination by an eligible employee

in the event that the employment of an eligible employee is terminated by him voluntarily for reasons other than ill-health, disability, death or retirement in accordance with the retirement policy of the NWS Group as adopted by NWS from time to time (if any), all his options shall lapse and determine upon the termination of employment;

(iii) On cessation of an eligible employee's employing company being a member of the NWS Group or an invested entity

in the event that the eligible employee's employing company ceases to be a member of the NWS Group or an invested entity, (aa) options granted to such eligible employee, to the extent vested at the time of his employing company ceases to be a member of the NWS Group or an invested entity, shall be exercisable within a period being the earlier of six months after his employing company ceases to be a member of the NWS Group or an invested entity or the expiration of the relevant option period; and (bb) options granted to such eligible employee, to

the extent not vested at the time of his employing company ceases to be a member of the NWS Group or an invested entity, shall lapse upon his employing company ceases to be a member of the NWS Group or an invested entity;

(iv) On transfer of employment to affiliated company

in the event that the employment of an eligible employee is terminated by reason of his transfer of employment to an affiliate company (including NWS's holding companies and their subsidiaries, jointly controlled entities and associated companies) (each an "affiliated company"), (aa) options granted to such eligible employee, to the extent vested at the time of his transfer of employment to the affiliated company, shall be exercisable within a period being the earlier of one year after his said transfer of employment or the expiration of the relevant option period; and (bb) options granted to such eligible employee, to the extent not vested at the time of his transfer of employment to the affiliated company, shall lapse upon his said transfer of employment;

(v) Termination for cause

in the event that the employment of an eligible employee is terminated by reason of the eligible employee's misconduct justifying summary dismissal (i.e. termination without notice or payment in lieu of notice), all outstanding options granted to such eligible employee shall lapse upon the termination of employment;

(vi) Termination other than for cause

in the event that the eligible employee ceases to be an eligible employee or whose employment is terminated, for any reason other than for the circumstances provided in paragraphs 12(b)(i) to (iv) above, (aa) options granted to such eligible employee, to the extent vested at the time of termination of employment, shall be exercisable within a period being the earlier of six months after the termination of employment or the expiration of the relevant option period; and (bb) options granted to such eligible employee, to the extent not vested at the time of termination of employment, shall lapse upon the termination of employment,

provided that in any of the above cases, the directors of NWS may in their absolute discretion otherwise determine and/or subject to such conditions or limitations as the directors of NWS may reasonably consider appropriate.

(c) *On breach of contract or insolvency for other eligible participants*

In relation to an option holder not being an eligible employee, all his options (to the extent not already exercised) shall lapse if the directors of NWS shall at any time determine that (aa) such option holder or his associate has committed any breach of contract between him or his associate and the NWS Group or such option holder has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; and (bb) all options held by that option holder shall lapse.

(d) *On takeover offers*

If, in consequences of any general offer made to the shareholders of NWS or otherwise, any person shall have obtained control of NWS, then the option holder shall be entitled at any time within the period of six months after such control has been obtained exercise his options in whole or, in part, all options (to the extent not already exercised) shall lapse upon expiry of such six-month period provided that if, during such six-month period, such person becomes entitled to exercise rights of compulsory acquisition of NWS Shares pursuant to Section 103 of The Companies Act 1981 of Bermuda (as amended from time to time) and gives notice to any shareholder of NWS that he intends to exercise such acquisition rights, the options shall remain exercisable until the expiry of one month after the date of such notice and all options (to the extent not already exercised) shall lapse upon expiry of such one-month period.

(e) *On liquidation*

If notice is given of a general meeting at which a resolution will be proposed for the voluntary winding-up of NWS, the options shall be exercisable in whole or in part (but so that such exercise shall only be valid if, at the time of such resolution being passed, the option shall not have otherwise lapsed) at any time thereafter until the resolution is duly passed or defeated or the general meeting concluded or adjourned sine die, whichever shall first occur. If such winding-up resolution is duly passed, all options (to the extent not already exercised) shall thereupon lapse.

(f) *On reconstruction*

If under Section 99 of The Companies Act 1981 of Bermuda (as amended from time to time) a compromise or arrangement between NWS and its shareholders or creditors is proposed for the purposes of a scheme for the reconstruction of NWS or its amalgamation with any other company, NWS shall give notice thereof to all option holders on the same date as notice of meeting is sent to the shareholders of NWS or creditors of NWS, and thereupon each option holder may, within two months thereafter or (if earlier) until the date on which such compromise or

arrangement is sanctioned by the Court, exercise his options, but such exercise shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. Upon such compromise or arrangement becoming effective, all options (to the extent not already exercised) shall lapse.

13. Cancellation and re-grant of options

Options granted but not exercised may be cancelled if the eligible participant so agrees and new options may only be made to the same eligible participant with available unissued options (excluding the cancelled options) within the limit approved by the shareholders of NWS.

14. Ranking of NWS Shares

The NWS Shares to be issued upon exercise of options will be subject to all the provisions of the bye-laws of NWS and will rank *pari passu* in all respects with the fully paid NWS Shares in issue on the date the name of the option holder is registered in NWS's register of members, in particular in respect of voting, transfer, and other rights including those arising on a liquidation of NWS and rights in respect of any dividend or other distribution paid or made after the date of registration other than any dividend or distribution to be paid or made if the record date therefor shall be before the date of registration. If however the date of exercise of options falls on a date when NWS's register of members is closed, then the exercise of the options shall become effective on the first business day in Hong Kong on which the register of members is re-opened.

15. Adjustment on alteration of share capital

(a) Adjustment of option entitlement

In the event of any alteration in the capital structure of NWS whilst any option remains exercisable, whether by way of capitalization of profits or reserves, rights issue, consolidation, sub-division or reduction of the share capital of NWS (other than an issue of NWS Shares as consideration in respect of a transaction to which NWS is a party), such appropriate adjustments (if any) shall be made in:

- (i) the exercise price; and/or
- (ii) the number of option so far as unexercised,

in such manner as the directors of NWS (having received a confirmation in writing from the auditor or an independent financial advisor to NWS (as the case may be), acting as experts and not as arbitrators, that in their opinion the adjustments proposed are fair and reasonable and satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes (the "Supplementary Guidance"), except in the case of a capitalization issue where no such confirmation from the auditor or an

independent financial advisor to NWS (as the case may be) shall be required unless otherwise expressly required by the directors of NWS) may deem appropriate provided always that:

- (aa) no increase shall be made in the aggregate subscription price relating to any option;
- (bb) the proportion of the issued share capital of NWS to which an option holder is entitled after any adjustment shall remain materially the same as that to which he was previously entitled prior to such adjustment;
- (cc) no adjustments shall be made which will enable a NWS Share to be issued at less than its nominal value;
- (dd) any adjustment so made shall be in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange (including, without limitation, the Supplementary Guidance); and
- (ee) no adjustments shall be made in the event of an issue of NWS Shares as consideration in respect of a transaction to which NWS is a party.

(b) *Notice of adjustment*

Notice of any such adjustment shall be given to the option holders by NWS, which may, but need not, call in option certificates for endorsement or replacement. The costs of the auditor or the independent financial advisor to NWS (as the case may be) shall be borne by NWS.

16. Variation of the terms of the NWS New Share Option Scheme

Any alteration to the terms and conditions of the NWS New Share Option Scheme which are of a material nature shall be approved by the shareholders of NWS, except where the alteration takes effect automatically under the existing terms of the NWS New Share Option Scheme.

Save with prior approval of the shareholders of NWS in general meeting, no alteration shall be made to (i) the provisions of the NWS New Share Option Scheme relating to the matters contained in Chapter 17 of the Listing Rules; (ii) the authority of the directors of NWS or the administrators of the NWS New Share Option Scheme in relation to any alteration to the terms of the NWS New Share Option Scheme; or (iii) the provisions relating to the matters set out in Rule 17.03 of the Listing Rules which will be to the advantage of the eligible employees.

No amendments to the NWS New Share Option Scheme shall be made which would have the effect of abrogating or altering adversely any of the subsisting rights of option holders except with such consent on their part as would be required under the provisions of the bye-laws of NWS as if the options constituted a separate class of share capital.

Save as aforesaid, the directors of NWS may from time to time in their absolute discretion waive or amend such of the rules of the NWS New Share Option Scheme as they deem desirable by resolution of the directors of NWS. The terms of the NWS New Share Option Scheme and/or any options amended must comply with the applicable requirements of the Listing Rules.

NWS must provide to all option holders all details relating to the change of the terms of the NWS New Share Option Scheme immediately upon such changes taking effect.

17. Termination of the NWS New Share Option Scheme

NWS by resolution in general meeting may terminate the NWS New Share Option Scheme at any time, and in such event no further options will be offered but in all other respects the provisions of the NWS New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of the NWS New Share Option Scheme and options granted prior to such termination shall continue to be valid and exercisable in accordance with the NWS New Share Option Scheme.

Dr. Cheng Kar-Shun, Henry *GBS*

Aged 64, was appointed as Director in October 1972, Executive Director in 1973 and became Managing Director from 1989. Dr. Cheng is the Chairman and Managing Director of New World China Land Limited, the Chairman of NWS Holdings Limited, the Chairman and Non-executive Director of New World Department Store China Limited, the Chairman of International Entertainment Corporation, an Independent Non-executive Director of HKR International Limited, and a Non-executive Director of Lifestyle International Holdings Limited, all of them are listed public companies in Hong Kong. He was the Chairman of Haitong International Securities Group Limited (formerly Taifook Securities Group Limited) (a listed public company in Hong Kong) up to his resignation on 13 January 2010. Dr. Cheng is also the Managing Director of New World Hotels (Holdings) Limited and a Director of certain subsidiaries of the Group. Except as disclosed, Dr. Cheng did not hold directorship in other listed public companies in the past three years or any position with the Company or other members of the Group. Dr. Cheng is the Chairman of the Advisory Council for The Better Hong Kong Foundation and a Standing Committee Member of the Eleventh Chinese People's Political Consultative Conference of The People's Republic of China. In 2001, Dr. Cheng was awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region.

There is no service contract between the Company and Dr. Cheng. He is not appointed for a specific term except that he is subject to retirement by rotation in accordance with the articles of association of the Company. His emoluments comprise a director's fee to be reviewed and determined by the Board of Directors annually with the authorization granted by the Shareholders at an annual general meeting of the Company annually and with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market condition. For the financial year ended 30 June 2011, his emoluments comprise director's fee of HK\$200,000 from the Company and other emoluments of HK\$27,635,000 from the Group.

Dr. Cheng is a Director of Cheng Yu Tung Family (Holdings) Limited, Centennial Success Limited and Chow Tai Fook Enterprises Limited, all of them are substantial shareholders of the Company. Dr. Cheng is the eldest son of Dr. Cheng Yu-Tung, the father of Mr. Cheng Chi-Kong, Adrian, the brother of Mr. Cheng Kar-Shing, Peter and the uncle of Mr. Cheng Chi-Heng. Except as disclosed, Dr. Cheng does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Dr. Cheng has family interest in 300,000 shares of the Company and personal interest in 36,714,392 underlying shares of the Company attached to the share options granted by the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Dr. Cheng is not aware of any other matters or information that need to be brought to the attention of the Shareholders or to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules in connection with his re-election.

Dr. Sin Wai-Kin, David *DSSc(Hon)*

Aged 82, was appointed as Executive Director in June 1970. Dr. Sin is the Chairman of Myer Jewelry Manufacturer Limited, Honorary Chairman of Hip Hing Construction Company Limited and a Director of certain subsidiaries of the Group. Dr. Sin is also the Vice Chairman and Independent Non-executive Director of Miramar Hotel and Investment Company, Limited, a listed public company in Hong Kong. He was an Independent Non-executive Director of Hang Seng Bank Limited (a listed public company in Hong Kong) until 6 May 2009. Except as disclosed, Dr. Sin did not hold directorship in other listed public companies in the past three years or any position with the Company or other members of the Group.

There is no service contract between the Company and Dr. Sin. He is not appointed for a specific term except that he is subject to retirement by rotation in accordance with the articles of association of the Company. His emoluments comprise a director's fee to be reviewed and determined by the Board of Directors annually with the authorization granted by the Shareholders at an annual general meeting of the Company annually and with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market condition. For the financial year ended 30 June 2011, his emoluments comprise director's fee of HK\$200,000 from the Company.

Dr. Sin does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Dr. Sin has a personal interest and a spouse interest of 4,727,287 shares and 47,098 shares of the Company respectively, as well as personal interest in 301,760 underlying shares of the Company attached to the share options granted by the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Dr. Sin is not aware of any other matters or information that need to be brought to the attention of the Shareholders or to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules in connection with his re-election.

Mr. Liang Chong-Hou, David

Aged 66, was appointed as Director in November 1979 and became Executive Director in 1986. Mr. Liang did not hold directorship in other listed public companies in the past three years or any position with the Company or other members of the Group.

There is no service contract between the Company and Mr. Liang. He is not appointed for a specific term except that he is subject to retirement by rotation in accordance with the articles of association of the Company. His emoluments comprise a director's fee to be reviewed and determined by the Board of Directors annually with the authorization granted by the Shareholders at an annual general meeting of the Company annually and with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market condition. For the financial year ended 30 June 2011, his emoluments comprise director's fee of HK\$200,000 from the Company.

Mr. Liang is the cousin of Mr. Liang Cheung-Biu, Thomas. Except as disclosed, Mr. Liang does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Liang has personal interest in 301,760 underlying shares of the Company attached to the share options granted by the Company within the meaning of Part XV of the SFO.

Mr. Liang confirms that he is a director of Macao Dragon Company Limited (“Macao Dragon”), a company incorporated in Hong Kong with limited liability and engaged in the provision of travel services, since 5 August 2010. On 15 September 2011, Macao Dragon filed a Statement of Voluntary Winding Up in Case of Inability to Continue Business with the Companies Registry in view of its insolvency. Mr. Liang confirms that the winding up of Macao Dragon will not have any adverse impact on his abilities to fully and effectively carry out his duties as a director of the Company. Given the lack of business relationship between the Company and Macao Dragon, Mr. Liang is of the view that the winding up of Macao Dragon has no adverse impact on the business and financial position of the Company.

Save as disclosed above, Mr. Liang is not aware of any other matters or information that need to be brought to the attention of the Shareholders or to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules in connection with his re-election.

Mr. Yeung Ping-Leung, Howard

Aged 54, was appointed as Director in November 1985. Mr. Yeung is a Member of the Audit Committee and the Remuneration Committee of the Board of Directors of the Company. He is also the Chairman of King Fook Holdings Limited and a Non-executive Director of Miramar Hotel and Investment Company, Limited, both being listed public companies in Hong Kong. Except as disclosed, Mr. Yeung did not hold directorship in other listed public companies in the past three years or any position with the Company or other members of the Group.

There is no service contract between the Company and Mr. Yeung. He is not appointed for a specific term except that he is subject to retirement by rotation in accordance with the articles of association of the Company. His emoluments comprise a director’s fee to be reviewed and determined by the Board of Directors annually with the authorization granted by the Shareholders at an annual general meeting of the Company annually and with reference to his duties and responsibilities with the Company, the Company’s performance and the prevailing market condition. For the financial year ended 30 June 2011, his emoluments comprise director’s fee of HK\$280,000 from the Company.

Mr. Yeung does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Yeung has personal interest in 301,760 underlying shares of the Company attached to the share options granted by the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Yeung is not aware of any other matters or information that need to be brought to the attention of the Shareholders or to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules in connection with his re-election.

Dr. Cha Mou-Sing, Payson *JP, DSSc (Hon)*

Aged 69, was appointed as Director in April 1989. Dr. Cha is the Chairman of the Audit Committee and a Member of the Remuneration Committee of the Board of Directors of the Company. Dr. Cha is also the Chairman of HKR International Limited and the Non-executive Chairman of Hanison Construction Holdings Limited, both of them are listed public companies in Hong Kong. He is also an Independent Non-executive Director of Eagle Asset Management (CP) Limited – Manager of Champion Real Estate Investment Trust which is listed on the Stock Exchange, the Chairman of Mingly Corporation, a Director of Asia Television Limited and an Independent Non-executive Director of Hong Kong International Theme Parks Limited. Except as disclosed, Dr. Cha did not hold directorship in other listed public companies in the past three years or any position with the Company or other members of the Group. Dr. Cha is a Committee Member of the Eleventh Chinese People's Political Consultative Conference of The People's Republic of China.

There is no service contract between the Company and Dr. Cha. He is not appointed for a specific term except that he is subject to retirement by rotation in accordance with the articles of association of the Company. His emoluments comprise a director's fee to be reviewed and determined by the Board of Directors annually with the authorization granted by the Shareholders at an annual general meeting of the Company annually and with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market condition. For the financial year ended 30 June 2011, his emoluments comprise director's fee of HK\$280,000 from the Company.

Except as disclosed, Dr. Cha does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Dr. Cha has personal interest in 301,760 underlying shares of the Company attached to the share options granted by the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Dr. Cha is not aware of any other matters or information that need to be brought to the attention of the Shareholders or to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules in connection with his re-election.

NOTICE OF ANNUAL GENERAL MEETING



新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held at Meeting Room N101B (Expo Drive Entrance), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Tuesday, 22 November 2011 at 11:45 a.m. for the following purposes:

1. To consider and adopt the audited Statement of Accounts and the Reports of the Directors and the Independent Auditors for the year ended 30 June 2011.
2. To declare a final dividend.
3. To re-elect Directors and authorise the Board of Directors to fix their remuneration, including:
 - (a) to re-elect Dr. Cheng Kar-Shun, Henry as Director;
 - (b) to re-elect Dr. Sin Wai-Kin, David as Director;
 - (c) to re-elect Mr. Liang Chong-Hou, David as Director;
 - (d) to re-elect Mr. Yeung Ping-Leung, Howard as Director;
 - (e) to re-elect Dr. Cha Mou-Sing, Payson as Director; and
 - (f) to authorise the Board of Directors to fix the remuneration of the Directors.
4. To re-appoint Joint Auditors and authorise the Board of Directors to fix their remuneration.
5. As special business to consider and, if thought fit, pass with or without modifications, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$1.00 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or any other stock exchange on which the securities

NOTICE OF ANNUAL GENERAL MEETING

of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in connection with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of shares of the Company which the Directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution and the said approval shall be limited accordingly; and

(c) for the purposes of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and

(iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

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

ORDINARY RESOLUTION

“THAT:

(a) subject to paragraph (c) below and pursuant to Section 57B of the Companies Ordinance, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$1.00 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue, (ii) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time; (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iv) an issue of shares upon conversion by the bondholders of their bonds into shares of the Company in accordance with the terms and conditions of an issue of convertible guaranteed bonds by the Company or a special purpose subsidiary wholly owned by the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

7. As special business to consider and, if thought fit, pass with or without modifications, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT** subject to the passing of Resolution Nos. 5 and 6 set out in the notice convening this meeting, the general mandate granted to the Directors of the Company to allot and deal with additional shares pursuant to Resolution No. 6 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 5 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Resolution.”

8. As special business to consider and, if thought fit, pass with or without modifications, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

- (a) “**THAT** the termination of the operation of the existing share option scheme adopted on 26 November 2002 by New World China Land Limited, a non-wholly owned subsidiary of the Company, be and is hereby approved; and
- (b) **THAT** the new share option scheme of New World China Land Limited, the rules of which are contained in the document marked “A” and produced to the meeting and for the purpose of identification signed by the Chairman thereof, be and is hereby approved.”

9. As special business to consider and, if thought fit, pass with or without modifications, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT** the new share option scheme of NWS Holdings Limited, a non-wholly owned subsidiary of the Company, the rules of which are contained in the document marked “B” and produced to the meeting and for the purpose of identification signed by the Chairman thereof, be and is hereby approved.”

NOTICE OF ANNUAL GENERAL MEETING

10. As special business to consider and, if thought fit, pass with or without modifications, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT** the refreshment of the 10% limit on grant of share options by NWS Holdings Limited, a non-wholly owned subsidiary of the Company, under (i) its share option scheme adopted on 6 December 2001, (ii) subject to the passing of the Resolution No. 9 set out in the notice convening this meeting, the new share option scheme, and (iii) its any other share option scheme(s) be and is hereby approved.”

By Order of the Board
Wong Man-Hoi
Company Secretary

Hong Kong, 20 October 2011

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the Company's share registrar, Tricor Tengis Limited at 26th Floor, 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 (as the case may be).
3. The register of members of the Company will be closed from Tuesday, 15 November 2011 to Tuesday, 22 November 2011, both days inclusive, during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the Annual General Meeting, all shares transfers accompanied by the relevant share certificates, must be lodged with the Company's share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 14 November 2011.
4. As at the date of this notice, the board of directors of the Company comprises (a) six executive directors, namely Dato' Dr. Cheng Yu-Tung, Dr. Cheng Kar-Shun, Henry, Dr. Sin Wai-Kin, David, Mr. Liang Chong-Hou, David, Mr. Cheng Chi-Kong, Adrian and Mr. Cheng Chi-Heng; (b) five non-executive directors, namely Mr. Cheng Kar-Shing, Peter, Mr. Leung Chi-Kin, Stewart, Mr. Chow Kwai-Cheung, Mr. Liang Cheung-Biu, Thomas and Ms. Ki Man-Fung, Leonie; and (c) four independent non-executive directors, namely Mr. Yeung Ping-Leung, Howard, Dr. Cha Mou-Sing, Payson (alternate director to Dr. Cha Mou-Sing, Payson: Mr. Cha Mou-Zing, Victor), Mr. Ho Hau-Hay, Hamilton and Mr. Lee Luen-Wai, John.