
IMPORTANT

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

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

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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)

DISCLOSEABLE TRANSACTION

**Joint Venture Agreement in respect of
the establishment of the JV Enterprise**

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DEFINITIONS

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

“18 Cities”	Shanghai, Kunming, Xian, Wuhan, Qingdao, Zhengzhou, Chongqing, Shenzhen, Harbin, Dalian, Lanzhou, Shenyang, Guangzhou, Chengdu, Urumqi, Tianjin, Beijing and Ningbo in the PRC
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CIMC”	China International Marine Containers (Group) Co., Ltd., a company incorporated in the PRC with limited liability and whose shares are listed in the Shenzhen Stock Exchange
“Company”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“CRCTC”	中鐵集裝箱運輸有限責任公司 (China Railway Container Transport Corp. Ltd., for identification purposes only), a company established in the PRC by the Ministry of Railways
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investment Framework Agreement”	the investment framework agreement dated 10 April 2006 and made between NWS Ports, CRCTC and other independent third parties for the proposed establishment of the JV Enterprise
“Investment LoI”	the letter of intent of equity investment, of a non-legally binding nature, dated 15 September 2005 and made between NWS Ports, CRCTC and other independent third parties for the proposed establishment of the JV Enterprise

DEFINITIONS

“JV Enterprise”	a sino-foreign equity joint venture enterprise which will be established in the PRC pursuant to the terms of the Joint Venture Agreement
“JV Parties”	CRCTC, NWS Service, CIMC and Promisky
“Joint Venture Agreement”	the joint venture agreement dated 28 September 2006 and made among the JV Parties in respect of the establishment of the JV Enterprise and the investment in it
“Latest Practicable Date”	16 October 2006, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers
“NWS Ports”	NWS Ports Management Limited, a company incorporated in British Virgin Islands, which is a direct wholly-owned subsidiary of NWSH
“NWS Service”	NWS Service Management Limited, a company incorporated in the Cayman Islands, which is a direct wholly-owned subsidiary of NWSH and has replaced NWS Ports, which was previously announced as one of the JV Parties, as a JV Party to enter into the Joint Venture Agreement
“NWSH”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange. As at the Latest Practicable Date, the Company holds approximately 54% equity interest in NWSH
“Promisky”	Promisky Investment Limited, a company incorporated in Hong Kong with limited liability
“PRC”	the People’s Republic of China (excluding Hong Kong and the Macau Special Administrative Region of the PRC for the purposes of this circular)
“RMB”	Renminbi Yuan, the lawful currency of the PRC

DEFINITIONS

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

In this circular, except as otherwise indicated, RMB has been translated into HK\$ at the rate of HK\$1.00 = RMB1.04 for reference purpose.

LETTER FROM THE BOARD



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 Leung Chi-Kin, Stewart

Registered Office:

30th Floor, New World Tower

18 Queen's Road Central

Hong Kong

Non-executive Directors:

Mr Cheng Yue-Pui

Mr Cheng Kar-Shing, Peter

Mr Chow Kwai-Cheung

Mr Ho Hau-Hay, Hamilton

Mr Liang Cheung-Biu, Thomas

Independent Non-executive Directors:

Lord Sandberg, Michael

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 Lee Luen-Wai, John, JP

20 October 2006

To the shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

Joint Venture Agreement in respect of the establishment of the JV Enterprise

INTRODUCTION

Reference are made to the announcements issued by NWSH on 26 September 2005 and 10 April 2006 in relation to the Investment LoI and the Investment Framework Agreement respectively for the proposed setting up of the JV Enterprise for carrying on the business of developing, operating and managing a total of 18 large scale pivotal rail container terminals, one in each of the 18 Cities.

LETTER FROM THE BOARD

On 28 September 2006, NWSH and the Company jointly announced that the JV Parties entered into the Joint Venture Agreement to formally establish the JV Enterprise and to agree on certain terms relating to the business and management of the JV Enterprise and the investment in it.

The purpose of this circular is to provide you with information on the Joint Venture Agreement.

THE JOINT VENTURE AGREEMENT

The principal terms of the Joint Venture Agreement are set forth below:

Date:	28 September 2006.										
Parties:	CRCTC, NWS Service, CIMC and Promisky.										
Purpose:	To establish the JV Enterprise and to agree on certain terms relating to the business and management of the JV Enterprise and the investment in it.										
Name of the JV Enterprise:	中鐵聯合國際集裝箱有限公司 (China United International Rail Containers Co. Limited).										
	The name of the JV Enterprise will be subject to the approval of the State Administration for Industry and Commerce.										
Place of incorporation:	The PRC.										
Equity interest:	The equity interests in the JV Enterprise to be held by the JV Parties are: <table><tr><td>CRCTC</td><td>58%</td></tr><tr><td>NWS Service</td><td>22%</td></tr><tr><td>CIMC</td><td>10%</td></tr><tr><td>Promisky</td><td>10%</td></tr><tr><td></td><td><u>100%</u></td></tr></table>	CRCTC	58%	NWS Service	22%	CIMC	10%	Promisky	10%		<u>100%</u>
CRCTC	58%										
NWS Service	22%										
CIMC	10%										
Promisky	10%										
	<u>100%</u>										
Total investment:	RMB12.0 billion (approximately HK\$11.5 billion). 35% of which shall be the registered capital of the JV Enterprise and the remaining 65% shall be funded by means of project or commercial financing, etc. to be arranged by the JV Enterprise.										

LETTER FROM THE BOARD

The registered capital of the JV Enterprise shall amount to RMB4.2 billion (approximately HK\$4.0 billion), which represents 35% of the total investment, and 22% out of which shall be contributed by NWS Service, i.e. RMB924 million (approximately HK\$888.5 million). Such amount of registered capital shall be paid by way of three equal instalments. The first instalment shall be paid within 30 days from the date of issue of the business registration certificate of the JV Enterprise while each of the remaining two instalments shall be paid on or before 31 December 2007 and 30 September 2008 respectively.

Pursuant to the terms of the Joint Venture Agreement, the difference between the total investment amount of RMB12.0 billion and the registered capital of the JV Enterprise shall be funded by means of project or commercial financing, which shall be arranged by the JV Enterprise. In case that pledging of assets of the JV Enterprise shall not fulfill the requirement under such financing arrangement, the JV Parties are required to provide financial support in proportion to their respective interests in the JV Enterprise.

In this respect, the JV Parties shall provide financial support for any possible financing arrangement of the JV Enterprise in proportion to their respective interests in it, the highest possible amount to be provided by NWS Service shall be RMB1.716 billion (approximately HK\$1.65 billion).

The investment amount to be contributed by NWS Service shall be fulfilled by internal funding and bank financing.

Scope of business:	To develop and operate rail container terminal and related businesses, including container receiving and dispatching, loading and unloading, cargo consolidation, warehousing and storage, container repair, customs declaration, transshipment, clearance and inspection, container trucking, distribution and logistics, international freight forwarding, intermodal transportation and contracting of container block train service.
Board of directors:	It shall be consisted of ten directors and two of whom shall be nominated by NWS Service.
Board of supervisors:	It shall be consisted of seven supervisors and one of whom shall be nominated by NWS Service.
Term:	50 years.

LETTER FROM THE BOARD

The Joint Venture Agreement is subject to the approval of the relevant PRC government authorities.

REASONS FOR THE TRANSACTION

Development of rail transportation is in line with the PRC's long-term policy for social and economic development, particularly due to the advantages of its cost-effectiveness, energy saving and environmental protection. It is believed that there will be potential growth for rail container transportation in the PRC to meet the anticipated foreign and domestic trade growth and freight movements. In addition, the JV Enterprise will have the right to develop and operate the said 18 large scale pivotal rail container terminals in the 18 Cities, which include the major coastal and inland cities in the PRC.

The terms of the Joint Venture Agreement were negotiated on an arm's length basis and were determined on normal commercial terms. The Board believes that the terms of the Joint Venture Agreement are fair and reasonable and in the best interests of the Company and its shareholders as a whole. The Board also considers that there is no material adverse effect of the transaction on the earnings and assets and liabilities of the Group.

INFORMATION ON THE JV PARTIES

The principal business of CRCTC includes management and operation of railway container transportation.

The principal business of CIMC includes the design, manufacturing, sales, repairs and spare part supply of containers, machine for road transportation and other transportation facilities.

The principal business of Promisky includes investment and operation of real estate and infrastructure projects.

The principal business of NWS Service is investment holding.

To the best knowledge of the Board, each of the JV Parties, except NWS Service, and its respective ultimate beneficial owners are independent from and not connected with any of the directors, chief executives and substantial shareholders of the Company or any of its subsidiaries or associates.

INFORMATION ON THE GROUP

The principal business of the Group includes investments in the area of property, infrastructure, services and telecommunications and technology.

LETTER FROM THE BOARD

DISCLOSEABLE TRANSACTION

As the relevant ratios (as defined in the Listing Rules) in respect of the Joint Venture Agreement are greater than 5% but less than 25%, the entering into of the Joint Venture Agreement by NWS Service constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

ADDITIONAL INFORMATION

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

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

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

DIRECTORS' DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares (within the meaning of Part XV of the SFO) or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(A) Long position in shares of the Company and associated corporations

	Number of shares			Total	Approximate % of shareholding
	Personal interests	Family interests	Corporate interests		
New World Development Company Limited (Ordinary shares of HK\$1.00 each)					
Dr Cheng Kar-Shun, Henry	–	300,000	–	300,000	0.01
Dr Sin Wai-Kin, David	4,708,708	47,098	–	4,755,806	0.13
Mr Leung Chi-Kin, Stewart	32,553	–	–	32,553	0.00
Mr Chow Kwai-Cheung	44,527	–	–	44,527	0.00
Mr Ho Hau-Hay, Hamilton	–	–	439,177 ⁽¹⁾	439,177	0.01
Mr Liang Cheung-Biu, Thomas	5,215	–	–	5,215	0.00
Dragon Fortune Limited (Ordinary shares of US\$1.00 each)					
Mr Cheng Kar-Shing, Peter	–	–	15,869 ⁽²⁾	15,869	27.41
HH Holdings Corporation (Ordinary shares of HK\$1.00 each)					
Dr Sin Wai-Kin, David	42,000	–	–	42,000	7.00
Master Services Limited (Ordinary shares of US\$0.01 each)					
Mr Leung Chi-Kin, Stewart	16,335	–	–	16,335	1.63
Mr Chow Kwai-Cheung	16,335	–	–	16,335	1.63

	Number of shares				Approximate
	Personal interests	Family interests	Corporate interests	Total	% of shareholding
New World China Land Limited (Ordinary shares of HK\$0.10 each)					
Dr Cheng Kar-Shun, Henry	12,500,000	–	52,271,200 ⁽³⁾	64,771,200	1.69
Mr Leung Chi-Kin, Stewart	500,000	–	–	500,000	0.01
Mr Chow Kwai-Cheung	650,126	–	–	650,126	0.02
NWS Holdings Limited (Ordinary shares of HK\$1.00 each)					
Dr Cheng Kar-Shun, Henry	9,179,199	587,000	8,000,000 ⁽³⁾	17,766,199	0.91
Dr Sin Wai-Kin, David	3,281	31	16,995,745 ⁽⁴⁾	16,999,057	0.87
Mr Cheng Kar-Shing, Peter	180,308	–	2,659,700 ⁽⁵⁾	2,840,008	0.15
Mr Liang Chong-Hou, David	163	–	–	163	0.00
Mr Leung Chi-Kin, Stewart	3,321,630	–	–	3,321,630	0.17
Mr Chow Kwai-Cheung	207,000	–	–	207,000	0.01
Sun City Holdings Limited (Ordinary shares of HK\$1.00 each)					
Mr Cheng Kar-Shing, Peter	–	80,000	3,570,000 ⁽⁶⁾	3,650,000	45.63
Sun Legend Investments Limited (Ordinary shares of HK\$1.00 each)					
Mr Cheng Kar-Shing, Peter	–	–	500 ⁽⁷⁾	500	50.00
YE Holdings Corporation (Ordinary shares of HK\$1.00 each)					
Mr Leung Chi-Kin, Stewart	37,500	–	–	37,500	1.50

Notes:

- (1) These shares were beneficially owned by a company in which Mr Ho Hau-Hay, Hamilton owns 40.0% of its issued share capital.
- (2) 4,102 shares are held by a company wholly owned by Mr Cheng Kar-Shing, Peter and 11,767 shares are held by Sun City Holdings Limited, of which Mr Cheng Kar-Shing, Peter is deemed to be interested in 45.63% of its issued share capital.
- (3) These shares are beneficially owned by a company which is wholly owned by Dr Cheng Kar-Shun, Henry.
- (4) These shares are beneficially owned by a company which is jointly owned by Dr Sin Wai-Kin, David and his spouse.
- (5) These shares are beneficially owned by a company which is wholly owned by Mr Cheng Kar-Shing, Peter.
- (6) These shares are held by a company of which Mr Cheng Kar-Shing, Peter has an indirect interest of 48.18%.
- (7) Mr Cheng Kar-Shing, Peter is deemed to be interested in the shares of Sun Legend Investments Limited by virtue of his interest in Sun City Holdings Limited.

(B) Long positions in underlying shares of associated corporations*Share options in NWS Holdings Limited*

Name of Director	Grant date	Exercisable period	Number of share options outstanding as at the Latest Practicable Date	Exercise price per share
Mr Leung Chi-Kin, Stewart	21 July 2003	(1)	68,820	HK\$3.711

Notes:

- (1) Divided into 2 tranches exercisable from 21 July 2004 and 21 July 2005 respectively to 20 July 2008.
- (2) The cash consideration paid by Mr Leung Chi-Kin, Stewart for the grant of the share options is HK\$10.

Share options in New World Mobile Holdings Limited

Name of Director	Grant date	Exercisable period	Number of share options outstanding as at the Latest Practicable Date	Exercise price per share
Dr Cheng Kar-Shun, Henry	28 January 2005	28 January 2005 to 31 December 2010	780,000	HK\$1.26

Note:

- (1) The cash consideration paid by Dr Cheng Kar-Shun, Henry for the grant of the share options is HK\$1.

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

SUBSTANTIAL SHAREHOLDERS

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

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons had an interest in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO:

Long positions in shares of the Company

Name	Number of shares held			Approximate % of shareholding
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited ("CYTFH") ⁽¹⁾	–	1,320,410,701	1,320,410,701	36.04
Centennial Success Limited ("Centennial") ⁽²⁾	–	1,320,410,701	1,320,410,701	36.04
Chow Tai Fook Enterprises Limited ("CTF") ⁽³⁾	1,188,383,025	132,027,676	1,320,410,701	36.04

Notes:

- (1) CYTFH holds 51% direct interest in Centennial and is accordingly deemed to have an interest in the shares deemed to be interested by Centennial.
- (2) Centennial holds 100% direct interest in CTF and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTF.
- (3) CTF together with its subsidiaries.
- (4) Dr Cheng Kar-Shun, Henry, the Managing Director of the Company, is also a director of each of CYTFH, Centennial and CTF.

Long positions in the shares and underlying shares of the Company

Name	Capacity	Number of shares held	Number of underlying shares held	Total	Approximate % of shareholding
Marathon Asset Management Ltd	Investment manager	208,191,948	–	208,191,948	5.68
Timothy R. Barakett ⁽¹⁾	Interest of controlled corporations	166,629,068	63,701,740	230,330,808	6.29
Atticus Management LLC ⁽²⁾	Investment manager	166,629,068	63,701,740	230,330,808	6.29
Atticus Capital LP	Investment manager	166,629,068	63,701,740	230,330,808	6.29

Short positions in the underlying shares of the Company

Name	Capacity	Number of underlying shares held	Approximate % of Shareholding
Timothy R. Barakett ⁽¹⁾	Interest of controlled corporations	127,403,000	3.48
Atticus Management LLC ⁽²⁾	Investment manager	127,403,000	3.48
Atticus Capital LP	Investment manager	127,403,000	3.48

Notes:

- (1) Atticus Management LLC is wholly owned by Mr Timothy R. Barakett who is deemed to have interests in the shares and underlying shares deemed to be interested by Atticus Management LLC.
- (2) Atticus Capital LP is a wholly owned subsidiary of Atticus Management LLC. Atticus Management LLC is deemed to be interested in the shares and underlying shares interested by Atticus Capital LP.

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

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

Name of shareholder	Name of member of the Group	Approximate percentage of interest held
Huamei Wealth (Beijing) International Property Investment Co., Ltd.	Beijing Dongfang Huamei Real Estate Development Co., Ltd.	25.00%
Melbourne Enterprises Limited	Billion Park Investment Limited	14.29%
Hainan Zhonghong Investments Company Limited	Changsha Xiangxianghai Housing Development Co., Ltd.	20.00%
Hing Pang Petroleum Chemicals (H.K.) Limited	Chengdu Xinyi Real Estate Development Co., Ltd.	20.00%
Sichuan Zhongshihua Enterprise Co., Ltd.	Chengdu Xinyi Real Estate Development Co., Ltd.	20.00%
Dalian Commercial Network Construction and Development Company	Dalian New World Plaza International Co., Ltd.	12.00%
佛山市祥福房地產開發有限公司	Foshan Country Club Real Estate Development Limited	10.00% (Note)
濟南陽光置業有限公司	Jinan New World Sunshine Development Co., Ltd.	27.00%
上海豐收投資有限公司	濟南匯泉新世界置業有限公司	30.00%
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development Limited	10.00% (Note)
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 2 Limited	10.00% (Note)
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 3 Limited	10.00% (Note)
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 4 Limited	10.00% (Note)
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 5 Limited	10.00% (Note)
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development No. 6 Limited	10.00% (Note)
Stanley Enterprises Limited	Ramada Property Ltd.	20.00%

Name of shareholder	Name of member of the Group	Approximate percentage of interest held
深圳瑋鵬實業有限公司	Shenzhen Topping Real Estate Development Co., Limited	10.00%
武漢市國營漢口魚場	Wuhan Xinhan Development Co., Limited	30.00% (Note)
Mr Li Chau-Ming, Peter	Apex-Pro Systems Limited	14.90%
Huasheng Audio & Video Publishing House	Beijing Jingdun Xintong Movie and TV Culture Co., Ltd.	25.00%
Mr Wang Jiquan	Beijing Xindu Fengfan Advertising Co., Ltd.	10.00%
Ms Yao Baozhen	Beijing Xindu Fengfan Advertising Co., Ltd.	20.00%
Mr Tian Tao	Beijing Xintong Media & Cultural Development Co. Ltd.	29.90%
Ms Yao Baozhen	Beijing Xintong New Vision Media & Advertising Co., Ltd.	20.00%
Ms Yao Baozhen	Beijing Xintong Sinologue Media & Advertising Co., Ltd.	25.10%
Beijing Zirancao Advertising Co., Ltd.	Beijing Xintong Sinologue Media & Advertising Co., Ltd.	25.00%
Grand Business Development Limited	北京新世界威邁特高新技術有限公司	45.00%
Infinity Regent Inc.	Milestone Overseas Limited	16.67%
Sparkle Spirit Limited	Milestone Overseas Limited	16.67%
Huasheng Audio & Video Publishing House	Nanjing Xintong Huihai Movie and TV Culture Co., Ltd.	17.50%
Merino Holdings Limited	New World ZGM Limited	20.00%
Wellington Equities Inc.	New World ZGM Limited	15.00%
Dr Ren Keyong	NoveMed Group Ltd.	20.00%
Panion Holdings Ltd.	NoveMed Group Ltd.	15.00%
Easin Technology Co., Ltd.	Shanxi Xintongda Culture Propagation Co., Ltd.	40.00%
Mr Huang Xiaogang	Shanxi Xintongda Culture Propagation Co., Ltd.	20.00%
Mr Chen Shangwu	Shanghai Aumedia Culture Propagation Co., Ltd.	13.50%
Stanford Ocean Limited	Two-Way Communications Limited	10.00%
Magic Pioneer Limited	Two-Way Communications Limited	10.00%

Name of shareholder	Name of member of the Group	Approximate percentage of interest held
Open Door Investments Ltd	Realistic Reward Limited	30.00%
Asean Giant Limited	Gold Return Resources Ltd.	10.00%
Grand Choice Profits Limited	Gold Return Resources Ltd.	10.00%
Chow Tai Fook Enterprises Limited	Advance Planner Limited	40.00%
Ever Global Investment Limited	Autowin Limited	30.00%
Chow Tai Fook Enterprises Limited	Beames Holdings Limited	36.00%
Gaintek Development Limited	Better Rich Development Limited	30.00%
Bolo Ltd	Bright Moon Company Limited	25.00%
Tenswin Limited	Boxwin Limited	16.58%
Winteam Holdings Limited	China Step Limited	30.00%
Aldburg Assets Limited	Coral Business Inc.	12.50%
Chow Tai Fook Enterprises Limited	Crimson Company Limited	37.00%
Honor Fidelity Ltd	Dominion 2000 Limited	30.00%
Hotspring Ltd	Easlin Corporation	20.00%
Lai Sun Development Company Limited	Easlin Corporation	20.00%
Chow Tai Fook Enterprises Limited	Front Post Limited	15.00%
Mr Philip Yuen	Henry Bon Enterprises Company Limited	10.00%
Ms Carmen Leung	Henry Bon Enterprises Company Limited	10.00%
Chow Tai Fook Enterprises Limited	HH Holdings Coporation	12.00%
Polarway Investment Ltd	Highness Land Investment Company Limited	40.00%
Space Enterprises Limited	Mega Choice Holdings Limited	20.00%
Tacko Hotel (Zhanjiang) Ltd	New World Tacko (Xian) Limited	30.00%
Golden Sphere Investments Ltd	New Hope Limited	15.00%
Glory Good Investment Ltd	Pearls Limited	20.00%
Kawick Enterprises Ltd	Pearls Limited	40.00%
Fung Seng Diamond Co Ltd	Silver Bloom Company Limited	10.00%
Wah Tai Company Limited	Silver Bloom Company Limited	20.00%
Kly (Nominees) Ltd	Super Value Development Limited	20.00%
Info Trade Investment Limited	Teddy Bear Kingdom Holdings Limited	22.06%

APPENDIX

GENERAL INFORMATION

Name of shareholder	Name of member of the Group	Approximate percentage of interest held
Kly (Nominees) Ltd	Top Flash Investments Limited	20.00%
Fung Seng Diamond Co Ltd	Ultra Force Limited	20.00%
Fast Choice Investments Limited	Winner World Group Limited	20.00%
Architectural Precast Limited (in court compulsory liquidation)	Architectural Precast GRC Limited	35.00%
New Concepts Foundation Limited	Barbican-New Concepts Joint Venture	40.00%
北京建工集團有限責任公司	Beijing Hip Hing Construction Engineering Company Limited	25.00%
北京崇建工程公司	Beijing Hip Hing Construction Engineering Company Limited	20.00%
北京市萬勝全物業管理中心	Beijing Kiu Lok Property Management Services Co., Ltd.	40.00%
Bioforte (Hong Kong) Environmental Engineering And Technology Company Ltd	BioEnviroLink Technologies Limited	30.00%
Shine Vision International Limited	Carpark Solution Enterprise Limited	35.00%
Cinagro Pte Limited	Cinabel (Singapore) Pte Limited	20.00%
Miramar Hotel & Investment Company Limited	Espora Company Limited	50.00%
Foshan City Gaoming District Transportation Infrastructure Co. Ltd.	Foshan Gaoming Xinming Bridge Company Limited	49.00%
順德市誠業建築集團公司	佛山市順德區協興建築工程有限公司	15.00%
Guangxi Beiliu Gaote Co. Ltd.	Guangxi Beiliu Xinbei Highways limited	40.00%
Guangxi Cangwu County Electric Power Co. Ltd.	Guangxi Cangwu Xincang Highways Limited	30.00%
Guangxi Rongxian Road & Bridge Construction Co. Ltd.	Guangxi Rongxian Xinrong Highways Limited	30.00%
Guangxi Yulin City Heng Tong Ltd	Guangxi Yulin Xinye Highways Limited	40.00%
Guangxi Yulin Yu Shieh Ltd.	Guangxi Yulin Xinyu Highways Limited	40.00%
Guangzhou Yongtong Freeway Company Ltd.	Guangzhou Northring Freeway Company Limited	10.41%
Asian East Worldwide Limited	Guangzhou Northring Freeway Company Limited	24.30%
廣州市新運行汽車運輸有限公司	廣州銳萊停車場設備有限公司	10.00%

APPENDIX

GENERAL INFORMATION

Name of shareholder	Name of member of the Group	Approximate percentage of interest held
Leader Civil Engineering Corporation Limited	Hip Hing-Leader JV Limited	33.33%
Taisei Corporation	Hip Hing-Taisei Joint Venture	40.00%
Intex Shanghai Company Limited	Hong Kong-Shanghai Venue Management (Zhengzhou) Limited	30.00%
Huns Engineering Company Limited	Huns-Majestic Joint Venture	40.00%
Wiseful Engineering Group Limited	Kentfull Engineering Company Limited	40.00%
Nanjing Port Authority	Nanjing Huining Wharfs Co., Ltd.	45.00%
Changzhi City Changda Highway Development Company	Shanxi Xinda Highways Limited	40.00%
Changzhi City Changda Highway Development Company	Shanxi Xinhuang Highways Limited	40.00%
珠海市萬泉河科技發展有限公司	深圳香島園花卉有限公司	20.00%
Taiyuan Tongtai Industry & Commerce General Company	Taiyuan Xintai Highways Limited	40.00%
Gujiao Highway-Bridge Development & Construction Company	Taiyuan Xinyuan Expressway Company Limited	40.00%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xindi Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinlong Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinlu Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinming Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinqing Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinquan Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinsen Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinshi Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinsi Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xintong Expressway Company Limited	33.38%

Name of shareholder	Name of member of the Group	Approximate percentage of interest held
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xintuo Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinxiang Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinyan Expressway Company Limited	33.38%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinzhan Expressway Company Limited	33.38%
廣州市機電安裝公司	Triguang Engineering (Guang Zhou) Company Limited	49.00%
武漢武建鼎安安裝工程有限公司	Trihan Engineering (Wuhan) Company Limited	49.00%
Wuhan Airport Road Industrial Development Co. Ltd.	Wuhan Airport Road Development Ltd.	33.33%
Guangxi Wuzhou Heng Tong Development Ltd.	Wuzhou Xinwu Highways Limited	40.00%
Xiamen COSCO International Container Freight Station & Transportation Co., Ltd.	Xiamen Xinyuan Container Terminal Co., Ltd.	30.00%
深圳市高成達機械電子有限公司	襄樊高成達停車場管理有限公司	35.00%
珠海國際經濟技術合作公司	珠海市景福工程有限公司 (in member's voluntary winding-up)	20.00%
First Achieve Limited	NWCB Multimedia Limited	20.00%
Sidney Consultants Limited	auto22.com Holdings Limited	15.70%
河北省建設投資公司	河北祈新中藥顆粒飲片有限公司	44.00%
LifeTech International Limited	New World LifeTech limited	20.00%
云南葯材有限公司	云南新云三七產業有限公司	14.00%

Note: referred to as profit sharing ratio as set out in the relevant co-operative joint venture contract

LITIGATION

As at the Latest Practicable Date, the Group was in dispute with a joint venture partner in respect of certain property development projects in the PRC and the parties had taken legal actions against each other in Hong Kong. No statement of claims setting out details of the claims against the Group had been filed.

The Company's subsidiary, New World TMT Limited ("NWTMT"), is involved in litigation with Prediwave Corporation and certain of its associated companies as disclosed in the joint announcements of the Company and NWTMT dated 27 May 2004 and 22 July 2004. A trial date has been fixed in October 2006. Counsel for NWTMT advised that there may be a possibility of delay in case of applications being made to the US Court.

Save as disclosed above, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any member of the Group

SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group which is not determinable by the relevant member of the Group within one year without payment of compensation, other than statutory compensation.

COMPETING INTERESTS OF DIRECTORS AND ASSOCIATES

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

Name of Director	Name of entity which businesses are considered to compete or likely to compete with the businesses of the Group	Description of businesses of the entity which are considered to compete or likely to compete with the businesses of the Group	Nature of interest of the Director in the entity
Dr Cheng Yu-Tung	Shun Tak Holdings Limited group of companies	Property investment and development, ferry services and hotel related services	Director
	Chow Tai Fook Enterprises Limited group of companies	Property investment and development and transport	Director
	Melbourne Enterprises Limited group of companies	Property investment	Director
	Lifestyle International Holdings Ltd. group of companies	Department stores operations and property investment	Director
Dr Cheng Kar-Shun, Henry	Shun Tak Holdings Limited group of companies	Property investment and development, ferry services and hotel related services	Director

Name of Director	Name of entity which businesses are considered to compete or likely to compete with the businesses of the Group	Description of businesses of the entity which are considered to compete or likely to compete with the businesses of the Group	Nature of interest of the Director in the entity
	Chow Tai Fook Enterprises Limited group of companies	Property investment and development and transport	Director
	HKR International Limited group of companies	Property investment and development, and property management	Director
	Lifestyle International Holdings Ltd. group of companies	Department stores operations and property investment	Director
Dr Sin Wai-Kin, David	Miramar Hotel & Investment Company Limited group of companies	Property investment and hotel operation	Director
Mr Cheng Yue-Pui	Chow Tai Fook Enterprises Limited group of companies	Property investment and development and transport	Director
	Melbourne Enterprises Limited group of companies	Property investment	Director
Mr Cheng Kar-Shing, Peter	Chow Tai Fook Enterprises Limited group of companies	Property investment and development and transport	Director
	Long Vocation Investments Limited group of companies	Property investment	Director and shareholder
Mr Chow Kwai-Cheung	Flying Dragon Properties Limited	Property investment	Director and shareholder
	Global Agents Ltd.	Investment holding	Director and shareholder
Mr Ho Hau-Hay, Hamilton	CITIC Pacific Limited	Property development and investment, telecommunications, and operation of power station and tunnel and financial services	Director
	Honorway Investments Limited	Property development and investment	Director and shareholder
	Tak Hung (Holding) Company Limited	Property development and investment	Director and shareholder
Mr Liang Cheung-Biu, Thomas	Bermuda Investments Limited	Property investment	Director

Name of Director	Name of entity which businesses are considered to compete or likely to compete with the businesses of the Group	Description of businesses of the entity which are considered to compete or likely to compete with the businesses of the Group	Nature of interest of the Director in the entity
	Greenwich Investors Limited	Property investment	Director
	Lambda Enterprises Limited	Property management	Director
	Miramar Hotel & Investment Company Limited group of companies	Property investment and hotel operation	Director
	Notting Hill Development Limited	Property investment	Director
	Ramadon Company Limited	Property investment	Director
	Roundtree Property Company Limited	Property investment	Director
Dr Cha Mou-Sing, Payson	HKR International Limited group of companies	Property investment and development, and property management	Director and shareholder
	Hanison Construction Holdings Limited group of companies	Construction, property investment and development	Director and shareholder
Mr Cha Mou-Zing, Victor	HKR International Limited group of companies	Property investment and development, and property management	Director and shareholder
	Hanison Construction Holdings Limited group of companies	Construction, property investment and development	Shareholder
Mr Yeung Ping-Leung, Howard	Miramar Hotel & Investment Company Limited group of companies	Property investment and hotel operation	Director
Mr Lee Luen-Wai, John	Lippo Limited	Property investment, development and management	Director
	Lippo China Resources Limited	Property investment, development and management	Director
	Hongkong Chinese Limited	Property investment, development and management	Director

As the Board is independent from the boards of the aforesaid companies and none of the above Directors can control the Board of the Company, the Group is capable of carrying its businesses independently of, and at arm's length from the businesses of such companies.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and his associates was considered to have interests in any business, apart from his interest in the Company, which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules.

MISCELLANEOUS

- (a) The Company Secretary of the Company is Mr Leung Chi-Kin, Stewart
- (b) The Qualified Accountant of the Company is Mr Chow Yu-Chun, Alexander, who is a fellow of Association of Chartered Certified Accountants (UK) and an associate of the Hong Kong Institute of Certified Public Accountant.
- (c) The registered office of the Company is at 30th Floor, New World Tower, 18 Queen's Road Central, Hong Kong.
- (d) The Share Registrars and Transfer office of the Company is Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong
- (e) The English text of this circular will prevail over the Chinese text.