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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

**Disposal of 31.4% interest in and loans to
Asia Container Terminals Holdings Limited
and the entire issued share capital of Keen Sales Limited**

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DEFINITIONS

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

“ACT”	Asia Container Terminals Limited, a company incorporated in Hong Kong with limited liability, a wholly owned subsidiary of ACTH
“ACTH”	Asia Container Terminals Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, being a joint venture company owned as to 31.4% by Sunmall and 68.6% by CSXWT 8
“ACTH Group”	ACTH, and its subsidiaries (including ACT)
“ATL”	ATL Logistics Centre Hong Kong Limited, a company incorporated in Hong Kong, in which Hetro has a direct shareholding of 39% and an indirect 16.67% attributable interest
“Board”	the board of directors of the Company
“Company”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Sunmall Share Sale Agreement or the Hetro Share Sale Agreement (as the case may be) in accordance with the terms thereof
“CSXWT 8”	CSXWT Terminal 8 Limited, a company incorporated in the British Virgin Islands with limited liability, which is owned as to 66.66% by CSX World Terminals Infrastructure Limited (an independent third party to the Company) and 33.34% by RCL
“CSXWTHK”	CSX World Terminals Hong Kong Limited, a company incorporated in Hong Kong
“CT3”	a one-berth container terminal at Container Terminal No. 3 at Kwai Chung, Hong Kong currently operated by CSXWTHK
“CT8W”	a two-berth container terminal at Container Terminal No. 8 West at Kwai Chung, Hong Kong currently operated by ACT after the berth swap arrangement for ACT’s interests in Container Terminal No. 9
“Disposals”	the disposals of the Sale Shares, the Shareholder Loans and the entire issued share capital of KSL
“Facility Agreement”	the facility agreement dated 13 November 2001 entered into between ACT (as borrower), Societe Generale Asia Limited (as facility agent) and the lenders named therein, as amended and supplemented from time to time
“Group”	collectively, the Company and its subsidiaries

DEFINITIONS

“Hetro”	Hetro Limited, a company incorporated in the British Virgin Islands, an indirect wholly owned subsidiary of NWSH
“Hetro Share Sale Agreement”	the share sale agreement entered into between NWSH, Hetro and the Purchaser on 4 February 2005 in relation to the sale of the entire issued share capital of KSL
“KSL”	Keen Sales Limited, a company incorporated in Hong Kong with limited liability, a wholly owned subsidiary of Hetro. KSL holds 33.34% indirect interest in CSXWTHK which, in turn, directly holds 100% interest in CSXWT 8 and 50% interest in ATL
“Latest Practicable Date”	15 March 2005, 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”	the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules
“NWSH”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“NWSH Board”	the board of directors of NWSH
“NWSH Group”	collectively, NWSH and its subsidiaries
“PRC”	The People’s Republic of China
“Prescribed Period”	the period commencing from 4 February 2005, being the date on which notice is given by Sunmall to ACTH that it intends to dispose of the Sale Shares and expiring one month after that date
“Purchaser”	PSA International Pte Ltd, a company incorporated in Singapore with limited liability
“RCL”	Ready City Limited, a company incorporated in Hong Kong with limited liability, in which KSL holds 100% beneficial interest
“Sale Shares”	314 ordinary shares in the capital of ACTH, representing 31.4% of the issued share capital of ACTH, being the entire interest currently held by Sunmall in ACTH
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder Loans”	the amounts due and owing from ACTH to Sunmall as at the close of business on the date of Completion of the Sunmall Share Sale Agreement in respect of all the loans made by Sunmall to ACTH

DEFINITIONS

“Shareholders’ Agreement”	the shareholders’ agreement dated 3 December 1998 relating to ACTH entered into among the shareholders of ACTH, including any deed of accession relating thereto, as amended, novated and supplemented from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Sunmall”	Sunmall Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly owned subsidiary of NWSH
“Sunmall Share Sale Agreement”	the share sale agreement entered into on 4 February 2005 between NWSH, Sunmall and the Purchaser in relation to the sale of the Sale Shares and the Shareholder Loans to the Purchaser
“TEU”	twenty-foot equivalent unit, a standard unit of measurement of the volume of a container with a length of 20 feet, height of 8 feet and 6 inches and width of 8 feet
“Trust Deed”	the deed of trust entered into on 21 February 2005 in relation to the economic benefit, rights, beneficial title, interests in and obligations to the indirect 16.67% interest in ATL to be entered into, among others, Hetro, KSL and the Purchaser upon Completion of the Hetro Share Sale Agreement

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)

Executive Directors:

Dato' Dr. Cheng Yu Tung
Dr. Cheng Kar Shun, Henry
Dr. Sin Wai Kin, David
Mr. Liang Chong Hou, David
Mr. Leung Chi Kin, Stewart

Registered office:

30/F., 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

21 March 2005

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

**Disposal of 31.4% interest in and loans to
Asia Container Terminals Holdings Limited
and the entire issued share capital of Keen Sales Limited**

INTRODUCTION

Reference is made to the joint announcements made by NWSH and the Company dated 5 February 2005 and 28 February 2005 relating to, among other things, the entering into of the Disposals and the application to the Stock Exchange for an extension of time to publish this circular on or before 21 March 2005.

LETTER FROM THE BOARD

Pursuant to the Sunmall Share Sale Agreement, Sunmall agreed to sell and the Purchaser agreed to buy, subject to certain conditions, 31.4% interest in ACTH and the Shareholder Loans for a total consideration of HK\$1.9 billion. In addition, pursuant to the Hetro Share Sale Agreement, Hetro agreed to sell and the Purchaser agreed to buy, subject to certain conditions, the entire issued share capital of KSL for a total consideration of HK\$1.1 billion.

The Disposals constitute a discloseable transaction of the Company under the Listing Rules. The purpose of this circular is to provide you with further information regarding the Disposals.

To the best knowledge, information and belief of the Board, and having made all reasonable enquiries, the Purchaser and its holding company are third parties independent of the Company and any connected persons of the Company.

THE DISPOSALS

(i) Sunmall Share Sale Agreement

Date : 4 February 2005

Parties

Vendor : Sunmall
Purchaser : the Purchaser
Vendor's Guarantor : NWSH

Assets To Be Disposed Of

Pursuant to the Sunmall Share Sale Agreement, Sunmall agreed, subject to certain conditions, to sell and the Purchaser agreed to buy the Sale Shares and the Shareholder Loans.

The Sale Shares represent 31.4% of the total issued share capital of ACTH and, as at the date of Completion of the Sunmall Share Sale Agreement the Shareholder Loans amounted to approximately HK\$264,819,765. ACTH is a joint venture company owned as to 31.4% by Sunmall and 68.6% by CSXWT 8. ACTH is an investment holding company and its wholly owned subsidiary, ACT, is engaged in the operation of CT8W.

Consideration

The consideration for the Sale Shares is HK\$2,253. The consideration for the Shareholder Loans is HK\$1,899,997,747. The total consideration of HK\$1.9 billion will be payable in cash to Sunmall on Completion. The consideration was arrived at after arm's length negotiations between Sunmall and the Purchaser with reference to various factors including ACTH's carrying value in the NWSH Group and the relevant estimated expenses on this disposal, which will be in the amount of approximately HK\$0.8 billion, and the market condition.

The Board expects that a gain in the amount of approximately HK\$1.1 billion and HK\$0.6 billion before and after minority interests respectively will accrue as a result of the disposal of the 31.4% interest in ACTH. The calculation of the gain is based on the consideration less ACTH's carrying value in the Group and relevant expenses. It is expected that the gain from the Disposals will enhance the financial position and reduce the gearing level of the Group.

LETTER FROM THE BOARD

Conditions

Completion of the Sunmall Share Sale Agreement is subject to and conditional upon the fulfillment of, inter alia, the following conditions precedent on or before 5 April 2005:

- (1) Sunmall and NWSH having obtained all necessary consents, permissions and other approvals from the board of directors of Sunmall and NWSH which are necessary for the sale of the Sale Shares and the Shareholder Loans and such consents, permissions and other approvals remaining in full force and effect;
- (2) Sunmall and NWSH having obtained all necessary consents, permissions and other approvals from the lenders for the sale of the Sale Shares and the Shareholder Loans and the substitution of the Purchaser for Sunmall and/or NWSH under the Facility Agreement and related documents and such consents, permissions and other approvals remaining in full force and effect;
- (3) CSXWT 8 not having exercised its right as an existing shareholder in ACTH to acquire the Sale Shares and the Shareholder Loans pursuant to the Shareholders' Agreement on or before the expiry of the Prescribed Period or, alternatively, ACTH or CSXWT 8 has within the Prescribed Period given written notice to Sunmall that ACTH has no prospect of finding shareholder(s) to purchase all the Sale Shares and all the Shareholder Loans or that CSXWT 8 will not exercise its pre-emption right;
- (4) the Purchaser having obtained all necessary consents, permissions and other approvals from the board of directors of the Purchaser which are necessary for the acquisition of the Sale Shares and the Shareholder Loans and such consents, permissions and other approvals remaining in full force and effect; and
- (5) the Purchaser having obtained all necessary consents, permissions and other approvals from the lenders for the acquisition of the Sale Shares and the Shareholder Loans and the substitution of the Purchaser for Sunmall and/or NWSH under the Facility Agreement and related documents and such consents, permissions and other approvals remaining in full force and effect.

Pursuant to the condition referred to in (3) above, CSXWT 8 did not exercise its right of pre-emption within the Prescribed Period and Sunmall was informed of this formally on 1 March 2005. As at the Latest Practicable Date, the Sunmall Share Sale Agreement is not yet completed but it is expected to complete by the end of March 2005.

(ii) Hetro Share Sale Agreement

Date : 4 February 2005

Parties

Vendor : Hetro
Purchaser : the Purchaser
Vendor's Guarantor : NWSH

LETTER FROM THE BOARD

Assets To Be Disposed Of

Pursuant to the Hetro Share Sale Agreement, Hetro agreed, subject to certain conditions, to sell and the Purchaser agreed to buy the entire issued share capital of KSL. KSL will cease to be a subsidiary of the Company following Completion of the Hetro Share Sale Agreement.

Consideration

The consideration for the entire issued share capital of KSL is HK\$1.1 billion. The consideration was paid in cash to Hetro on Completion. The consideration was arrived at after arm's length negotiations between Hetro and the Purchaser with reference to various factors including KSL's carrying value in the NWSH Group and the relevant estimated expenses on this disposal, which will be in the amount of approximately HK\$0.4 billion and the market condition.

The Board expects that a gain in the amount of approximately HK\$0.7 billion and HK\$0.4 billion before and after minority interests respectively will accrue as a result of the disposal of the interests in KSL. The calculation of the gain is based on the consideration less KSL's carrying value in the Group and relevant expenses.

Conditions

Completion of the Hetro Share Sale Agreement is subject to and conditional upon the fulfillment of the following conditions precedent on or before the date of Completion of the Sunmall Share Sale Agreement, or the fourth business day following the expiry of the Prescribed Period, whichever is earlier:

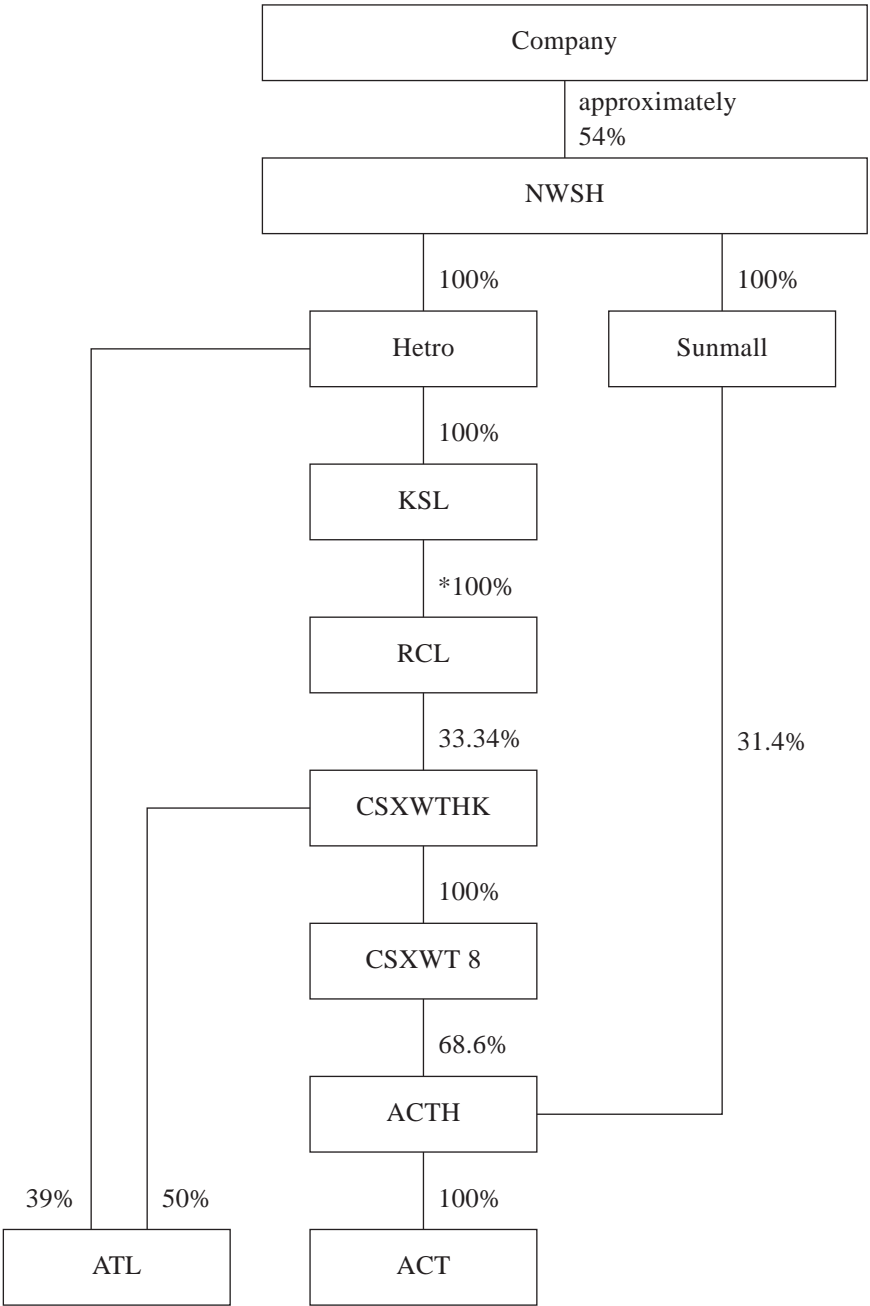
- (1) Hetro and NWSH having obtained all necessary consents, permissions from the board of directors of Hetro and NWSH which are necessary for the completion of the sale of the entire issued share capital of KSL and such consents, permissions and other approvals remaining in full force and effect; and
- (2) the Purchaser having obtained all necessary consents, permissions and other approvals from the board of directors of the Purchaser which are necessary for the acquisition of the entire issued share capital of KSL and such consents, permissions and other approvals remaining in full force and effect.

The conditions have been satisfied and Completion has taken place on 21 February 2005. Upon Completion of the Hetro Share Sale Agreement, Hetro, KSL and the Purchaser entered into the Trust Deed pursuant to which KSL will (among other things) hold the beneficial title and interest in and to the indirect 16.67% attributable interest in ATL which is derived by virtue of KSL's 33.34% shareholding in CSXWTHK and CSXWTHK's 50% shareholding in ATL, for the benefit of Hetro as if such interests have been retained in their entirety by Hetro such that Hetro will continue to be entitled to all of the economic benefits, rights, beneficial title, interests and be liable for all the obligations, therein. The Trust Deed has been entered into at Completion of the Hetro Share Sale Agreement as Hetro wishes to retain the beneficial title and interest in its indirect 16.67% attributable interest in ATL.

LETTER FROM THE BOARD

(iii) Simplified Organisation Charts In Relation To The Disposals

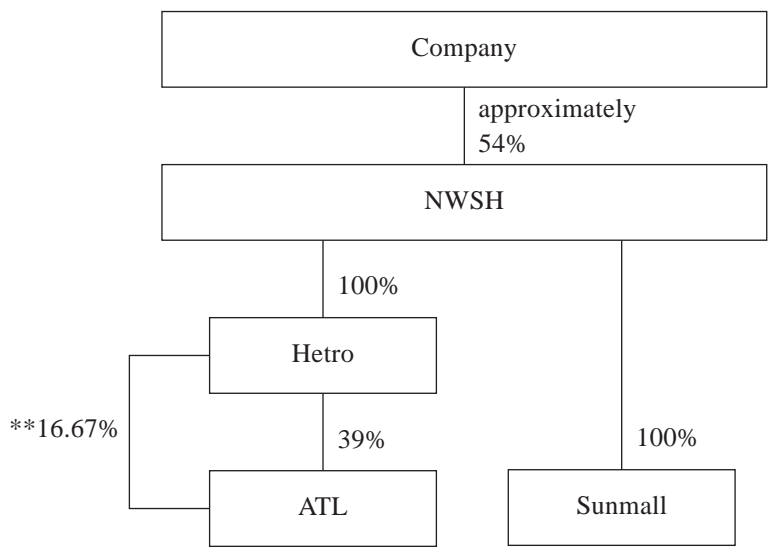
Before Disposals



* aggregation of direct and indirect shareholding interests

LETTER FROM THE BOARD

After Disposals



** beneficial interest entitled under the Trust Deed

REASONS FOR THE DISPOSALS AND BENEFITS TO THE COMPANY

The investments made by the Group in CT3 and CT8W since 1991 and 1998, respectively were for long-term investment purpose, being part of the Group’s strategy to expand into ports, warehousing and logistics industries. Pursuant to the reorganization of certain subsidiaries of the Group in 2003, the CT3 and CT8W projects have been undertaken by the NWSH Group. The Board concurs with the view of the NWSH Board that the unsolicited offer by the Purchaser with reference to the estimated gain arising from the Disposals which are mentioned above, to be exceptionally attractive and expects that the Disposals will result in a gain for the Group of approximately HK\$1.8 billion and approximately HK\$1.0 billion before and after minority interests respectively. The Group continues to retain an interest in the logistics industry by retaining an attributable 55.67% interests in ATL, by virtue of Hetro’s 39% direct shareholding and its indirect 16.67% attributable interest. Since ATL will continue to be a jointly controlled entity of NWSH and the Company, NWSH and the Company will account for the results and reserves of ATL according to their respective interests in ATL.

The Board believes that the terms of the Disposals are fair and reasonable and in the interests of the shareholders of the Company.

USE OF PROCEEDS

The net proceeds from the Disposals are intended to be utilized to repay certain bank borrowings, to explore new investment opportunities and as general working capital of the NWSH Group. As at the Latest Practicable Date, the NWSH Group has not yet determined in which proportion the net proceeds from the Disposals should be applied to such intended uses. To the extent that the net proceeds received by the NWSH Group are not immediately applied for the above purposes, it is the present intention of the NWSH Board that they will be deposited with licensed banks in Hong Kong.

LETTER FROM THE BOARD

INFORMATION ON THE GROUP

The principal activities of the Group are property development, property investments, hotel and infrastructure investments, services and telecommunications and technology business, primarily in Hong Kong and the PRC. The Company is the ultimate holding company of, among others, the NWSH Group.

BACKGROUND OF THE PURCHASER

The Purchaser is one of the leading port operators in the world. With flagship operations in Singapore and Belgium, the Purchaser operates an extensive global network of 16 port projects in 11 countries across Europe, India, China and East Asia. In 2004, the Purchaser handled more than 33 million TEUs of containers worldwide.

BACKGROUND INFORMATION OF ACTH AND KSL

ACTH was established in 1999. The ACTH Group is principally engaged in the operation of CT8W. The infrastructure and commissioning works for CT8W have been completed and CT8W has just commenced its business operation since the end of 2004. As of 31 December 2003, ACTH recorded an audited net deficit in asset value of HK\$36.5 million. For the two years ended 31 December 2002 and 2003, ACTH recorded a loss of HK\$9.3 million and HK\$14.1 million respectively both before and after taxation and extraordinary items.

KSL was established in 1991. The principal activity of KSL is investment holding in CSXWTHK, in which KSL holds 33.34% interest, which in turn holds 100% interest in CSXWT 8 and 50% interest in ATL. CSXWTHK is currently the operator of CT3 and ATL's principal business includes operation of cargo handling and storage facilities. As of 30 June 2004, KSL recorded a net asset value of HK\$877.2 million. For the two years ended 30 June 2003 and 2004, KSL recorded net profits before and after taxation and extraordinary items of HK\$287.3 million and HK\$98.9 million respectively.

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
Dr. Cheng Kar Shun, Henry
Managing Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Board collectively and individually accepts 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.

2. INTERESTS OF DIRECTORS OR CHIEF EXECUTIVE OF THE COMPANY

As at the Latest Practicable Date, the interests of 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 would be 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 which a director or chief executive of the Company would be taken or deemed to have under such provisions of the SFO); (ii) entered into 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 positions in issued shares

(i) *Shares in the Company*

(Ordinary shares of HK\$1.00 each)

Name of Directors	Personal interests	Number of ordinary shares			Approximate % of shareholding
		Family interests	Corporate interests	Total	
Dr. Sin Wai-kin, David	4,708,708	47,098	—	4,755,806	0.136
Mr. Leung Chi-kin, Stewart	32,553	—	—	32,553	0.001
Mr. Chow Kwai-cheung	43,000	—	—	43,000	0.001
Mr. Ho Hau-hay, Hamilton	—	—	438,905 ⁽¹⁾	438,905	0.013
Mr. Liang Cheung-biu, Thomas	5,215	—	—	5,215	—

(ii) *Shares in the associated corporations*

Dragon Fortune Limited

(Ordinary shares of US\$1.00 each)

Name of Director	Personal interests	Number of ordinary shares			Approximate % of shareholding
		Family interests	Corporate interests	Total	
Mr. Cheng Kar-shing, Peter	—	—	15,869 ⁽²⁾	15,869	27.41

HH Holdings Corporation
(Ordinary shares of HK\$1.00 each)

Name of Director	Personal interests	Number of ordinary shares		Total	Approximate % of shareholding
		Family interests	Corporate interests		
Dr. Sin Wai-kin, David	42,000	—	—	42,000	7.00

Master Services Limited
(Ordinary shares of HK\$0.01 each)

Name of Directors	Personal interests	Number of ordinary shares		Total	Approximate % of shareholding
		Family interests	Corporate interests		
Mr. Leung Chi-kin, Stewart	16,335	—	—	16,335	1.63
Mr. Chow Kwai-cheung	16,335	—	—	16,335	1.63

New World China Land Limited
(Ordinary shares of HK\$0.10 each)

Name of Directors	Personal interests	Number of ordinary shares		Total	Approximate % of shareholding
		Family interests	Corporate interests		
Mr. Cheng Kar-shing, Peter	366,800	—	—	366,800	0.02
Mr. Chow Kwai-cheung	400,126	—	—	400,126	0.03

New World TMT Limited
(Ordinary shares of HK\$1.00 each)

Name of Directors	Personal interests	Number of ordinary shares		Total	Approximate % of shareholding
		Family interests	Corporate interests		
Dr. Cheng Kar-shun, Henry	—	1,000,000	—	1,000,000	0.11
Dr. Sin Wai-kin, David	5,594	53	—	5,647	—
Mr. Liang Chong-hou, David	262	—	—	262	—

NWSH
(Ordinary shares of HK\$1.00 each)

Name of Directors	Personal interests	Number of ordinary shares			Approximate % of shareholding
		Family interests	Corporate interests	Total	
Dr. Cheng Kar-shun, Henry	2,000,000	587,000	—	2,587,000	0.14
Dr. Sin Wai-kin, David	—	—	32,224,060 ⁽³⁾	32,224,060	1.81
Mr. Cheng Kar-shing, Peter	333,333	—	2,659,700 ⁽⁴⁾	2,993,033	0.17
Mr. Liang Chong-hou, David	153	—	—	153	—
Mr. Leung Chi-kin, Stewart	3,526,630	—	84,607 ⁽⁵⁾	3,611,237	0.20
Mr. Chow Kwai-cheung	2,264,652	—	—	2,264,652	0.13

Sun City Holdings Limited
(Ordinary shares of HK\$1.00 each)

Name of Director	Personal interests	Number of ordinary shares			Approximate % of shareholding
		Family interests	Corporate interests	Total	
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)

Name of Director	Personal interests	Number of ordinary shares			Approximate % of shareholding
		Family interests	Corporate interests	Total	
Mr. Cheng Kar-shing, Peter	—	—	500 ⁽⁷⁾	500	50.00

YE Holdings Corporation
(Ordinary shares of HK\$1.00 each)

Name of Director	Personal interests	Number of ordinary shares			Approximate % of shareholding
		Family interests	Corporate interests	Total	
Mr. Leung Chi-kin, Stewart	37,500	—	—	37,500	1.50

Notes:

- (1) These shares are beneficially owned by a company of which Mr. Ho Hau-hay, Hamilton owns 20% 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 jointly owned by Dr. Sin Wai-kin, David and his spouse.
- (4) These shares are beneficially owned by a company which is wholly owned by Mr. Cheng Kar-shing, Peter.
- (5) These shares are beneficially owned by a company of which Mr. Leung Chi-kin, Stewart has a direct interest of 55%.
- (6) These shares are held by a company of which Mr. Cheng Kar-shing, Peter owns 48.18% of its issued share capital.
- (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

(i) Share options in New World China Land Limited

Name of Directors	Date of grant	Option period	Exercise price	Number of share options outstanding as at the Latest Practicable Date ⁽³⁾
Dr. Cheng Kar-shun, Henry	7 February 2001	8 March 2001 to 7 March 2006	HK\$1.955	5,000,000 ⁽¹⁾
Mr. Cheng Kar-shing, Peter	9 February 2001	10 March 2003 to 9 March 2006	HK\$1.955	1,500,000 ⁽²⁾
Mr. Leung Chi-kin, Stewart	7 February 2001	8 March 2001 to 7 March 2006	HK\$1.955	500,000 ⁽¹⁾
Mr. Chow Kwai-cheung	9 February 2001	10 March 2005 to 9 March 2006	HK\$1.955	100,000

Notes:

- (1) The share options are exercisable during a period of five years commencing from one month after the dates of each grant when the offers of share options were accepted, provided that the maximum number of share options that can be exercised during each anniversary year is 20% of the total number of share options granted together with any unexercised share options carried forward from the previous anniversary year(s).
- (2) The share options are exercisable within the three years as stated therein, provided that the maximum number of share options that can be exercised during each anniversary year is one-third of the outstanding balance of share options held together with any unexercised share options carried forward from the previous anniversary year(s).
- (3) The cash consideration paid by each Director for each grant of the share options is HK\$10.

(ii) *Share options in NWSH*

Name of Directors	Date of grant	Option period	Exercise price	Number of share options outstanding as at the Latest Practicable Date ⁽²⁾
Dr. Cheng Kar-shun, Henry	21 July 2003	21 July 2005 to 20 July 2008	HK\$3.725	1,000,000
Mr. Cheng Kar-shing, Peter	21 July 2003	21 July 2005 to 20 July 2008	HK\$3.725	166,667
Mr. Leung Chi-kin, Stewart	21 July 2003	21 July 2004 to 20 July 2008	HK\$3.725	68,000 ⁽¹⁾

Notes:

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

(iii) *Share options in New World Mobile Holdings Limited*

Name of Director	Date of grant	Option period	Exercise price	Number of share options outstanding as at the Latest Practicable Date ⁽¹⁾
Dr. Cheng Kar-shun, Henry	28 January 2005	28 January 2005 to 31 December 2010	HK\$1.260	780,000

Note:

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

(c) **Other Directors' interests**

None of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to any member of the Group, respectively since 30 June 2004, the date to which the latest published audited consolidated financial statements of the Group were made up.

As at the Latest Practicable Date, there was no argument or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Underwriting Agreement or otherwise connected with the Underwriting Agreement.

3. DISCLOSURE OF INTERESTS BY SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, information of the persons, other than Directors or chief executive of the Company, who have an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO were as follows:

Long position in issued shares

Name	Capacity	Number of Shares held	As a % of the existing
			issued share capital as at the Latest Practicable Date
Chow Tai Fook Enterprises Limited	Beneficial owner	1,224,945,836	35.332
Marathon Asset Management Ltd	Beneficial owner	208,191,948	6.005

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following persons (other than members of the Group) were directly or indirectly interested in 10% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the following members of the Group (other than the Company) and the amount of each of such person’s interest in such securities were as follows:

Name of person	Name of member of the Group	Attributable
		equity interest held by the person
Dalian Commercial Network Construction and Development Limited	Dalian New World Plaza International Co., Ltd.	12.00%
Hopwin Construction Engineering Limited	Hopwin Properties (China) Limited	20.00%
Melbourne Enterprises Limited	Billion Park Investment Limited	14.29%
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)
Shanghai Hongdu Enterprises (Group) Company Limited	Shanghai Heyu Properties Company Limited	20.00% (Note)
Shun Hing China Investment Limited	Ramada Property Ltd.	10.00%
深圳瑋鵬實業有限公司	Shenzhen Topping Real Estate Development Co., Limited	10.00%
Stanley Enterprises Limited	Ramada Property Ltd.	20.00%
武漢市國營漢口魚場	Wuhan Xinhan Development Co., Limited	30.00% (Note)
Infinity Regent Inc.	Milestone Overseas Limited	16.67%
Sparkle Spirit Limited	Milestone Overseas Limited	16.67%
Stanford Ocean Limited	Two-Way Communications Limited	10.00%
Magic Pioneer Limited	Two-Way Communications Limited	10.00%
Li Chau Ming Peter	Apex-Pro Systems Limited	10.00%

		Attributable equity interest held by the person
Name of person	Name of member of the Group	
Millennium Star Group Limited	Multi-Trends Limited	35.71%
Ren Keyong	NoveMed Group Ltd	20.00%
Panlon Holdings Ltd	NoveMed Group Ltd.	15.00%
Chow Tai Fook Enterprises Limited	Advance Planner Limited	40.00%
Ever Global Investments Ltd	Autowin Limited	30.00%
Chow Tai Fook Enterprises Limited	Beames Holdings Limited	36.00%
Gaintek Development Ltd	Better Rich Development Limited	30.00%
Bolo Ltd	Bright Moon Company Limited	25.00%
Tenswin Ltd	Boxwin Limited	16.58%
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%
Chow Tai Fook Enterprises Limited	Grand Hyatt Hong Kong Company Limited	36.00%
Philip Yuen	Henry Bon Enterprises Company Limited	10.00%
Carmen Leung	Henry Bon Enterprises Company Limited	10.00%
Kam Wah Investment Co Ltd	Highness Land Investment Company Limited	40.00%
Space Enterprises Limited	Mega Choice Holdings Limited	20.00%
Chow Tai Fook Enterprises Limited	New World Harbourview Hotel Company Limited	36.00%
Tacko Development (Zhanjiang) Ltd	New World Tacko (Xian) Limited	30.00%
Golden Sphere Investment Ltd	New Hope Limited	15.00%
Chow Tai Fook Enterprises Limited	New World Hotel Company Limited	36.00%
Chow Tai Fook Enterprises Limited	NWD (Hotels Investments) Limited	36.00%
Glory Good Investments Ltd	Pearls Limited	36.00%
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 (Nominee) Ltd	Super Value Development Limited	20.00%
Kly (Nominee) Ltd	Top Flash Investment Limited	20.00%
Fung Seng Diamond Co Ltd	Ultra Force Limited	20.00%
Wisdom Profit Investments Ltd	Wise Come Development Limited	20.00%
Architectural Precast Limited	Architectural Precast GRC Limited	35.00%
New Concepts Foundation Limited	Barbican-New Concepts Joint Venture	40.00%
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%
Cinagro Pte Limited	Cinabel (Singapore) Pte Limited	20.00%
Miramar Hotel & Investment Company Limited	Espora Company Limited	50.00%
Foshan City Gaoming District Traffic Development Co.	Gaoming Xinming Bridge Company Limited	49.00%
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 Xintong Highways Limited	40.00%
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%

		Attributable equity interest held by the person
Name of person	Name of member of the Group	
Taisei Corporation	Hip Hing-Taisei Joint Venture	40.00%
Hong Kong Ticketing Alliance Limited	Hong Kong Ticketing Holdings Limited	38.32%
JungleSoft Inc.	JungleSoft Net Limited	20.00%
Nanjing Port Authority	Nanjing Huining Wharfs Co., Ltd.	45.00%
Qingxin County Communications Construction Development Co.	Qingyuan Xinqing Highways Limited	21.00%
Changzhi City Changda Highway Development Company	Shanxi Xinda Highways Limited	40.00%
Changzhi City Changda Highway Development Company	Shanxi Xinhuang Highways Limited	40.00%
順德市誠業建築集團公司	Shunde Xiexing Construction Engineering Company Limited	15.00%
Taiyuan Tongtai Industry & Commerce General Company	Taiyuan Xintai Highways Limited	40.00%
Tianjin Expressway Investment & Construction Development Corporation	Tianjin Xinyan Expressway Company Limited	33.38%
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%
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%
Gujiao Highway-Bridge Development & Construction Company	Taiyuan Xinyuan Highways Limited	40.00%
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) Co., Ltd.	49.00%
Wuhan Airport Road Industrial Development Co. Ltd.	Wuhan Airport Road Development Ltd.	33.33%
Guangxi Wuzhou Heng Tong Development	Wuzhou Xinwu Highway Limited	40.00%
Xiamen COSCO International Container Freight Station & Transportation Co., Ltd.	Xiamen Xinyuan Container Terminal Co., Ltd.	30.00%
珠海國際經濟技術合作公司	珠海市景福工程有限公司	20.00%
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%

		Attributable equity interest held by the person
Name of person	Name of member of the Group	
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%
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%
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%
Shine Vision International Limited	Carpark Solution Enterprise Limited	35.00%
Huns Engineering Company Limited	Huns-Majestic Joint Venture	40.00%
Wiseful Engineering Group Limited	Kentfull Engineering Company Limited	40.00%
<i>Note:</i> Referred to as profit sharing ratio as set out in the relevant co-operative joint venture contracts.		

4. DIRECTORS’ INTEREST IN COMPETING BUSINESS

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

Name of Directors	Name of entity which businesses are considered to compete or likely to compete with the business of the Group	Description of businesses of the entity which are considered to compete or likely to compete with the business of the Group	Nature of interest of the Director in the entity
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
	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, construction and property management	director
	Beijing Chang Le Real Estates Development Co., Ltd.	Property development in Beijing	director
	Beijing Niceline Real Estates Development Co., Ltd.	Property development in Beijing	director
	Beijing Fu Wah Real Estates Development Co., Ltd.	Property development in Beijing	director
	Beijing Po Garden Real Estates Development Co., Ltd.	Property development in Beijing	director
	Lifestyle International Holdings Ltd. group of companies	Department stores operations and property investment	director

Name of Directors	Name of entity which businesses are considered to compete or likely to compete with the business of the Group	Description of businesses of the entity which are considered to compete or likely to compete with the business of the Group	Nature of interest of the Director in the entity
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	Asia Leisure Development Company Limited	Property development	director
	Beijing Chang Le Real Estates Development Co., Ltd.	Property development in Beijing	director
	Beijing Niceline Real Estates Development Co., Ltd.	Property development in Beijing	director
	Beijing Fu Wah Real Estates Development Co., Ltd.	Property development in Beijing	director
	Beijing Po Garden Real Estates Development Co., Ltd.	Property development in Beijing	director
	Flying Dragon Properties Ltd.	Property investment	director and shareholder
	Global Agents Ltd.	Investment holding	director and shareholder
	Hinkok Development Limited	Property development	shareholder

The above-mentioned Directors’ involvement in the management of the above-mentioned entities are not significant nor are the size of the above-mentioned businesses undertaken by the entities in which they were appointed as directors considered as significant as compared to the Group.

As the Board is independent of the boards of these entities, the Group is capable of carrying on such businesses independently of, and at arm’s length from the businesses of these entities.

5. ADDITIONAL DISCLOSURE OF INTERESTS

As at the Latest Practicable Date:

- (a) none of the directors was materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Group;
- (b) 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; and

- (c) none of the directors had any direct or indirect interest in any asset which, since 30 June 2004 (the date to which the latest published audited financial statements of the Group were made up), had been acquired or disposed of by, or leased to, any member of the Group, or was proposed to be acquired or disposed of by, or leased to, any member of the Group.

6. MATERIAL ADVERSE CHANGE

The Board is not aware of any material adverse change in the financial or trading position of the Group since 30 June 2004, the date to which the latest published audited financial statements of the Group were made up.

7. LITIGATION

The Group is in disputes with joint venture partners in respect of certain property development projects in the PRC and a hotel project in Malaysia, resulting in legal actions between the parties. For the PRC property development projects, no statement of claims setting out details of the claims have been rendered to the Group at the close of business on 28 February 2005 and the Group has also taken counter actions against this joint venture partner. For the hotel project in Malaysia, the hearing of the trial finished on 14 July 2003. On 1 April 2004, the judge ordered judgment for the Group. The joint venture partner lodged an appeal against the judge's judgment which is scheduled to be heard in June 2005. The Directors of the Company have obtained legal advice on the matters and are of the opinion that the matters will not have any material adverse impact on the financial position of the Group.

The Company's subsidiary, New World TMT Limited ("NWTMT"), is involved in a litigation relating to the investment in PrediWave Corporation and certain of its associated companies as disclosed in the joint announcements with NWTMT dated 27 May 2004 and 22 July 2004.

Save as disclosed above, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration 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.

8. MISCELLANEOUS

- (a) The English text of this circular will prevail over the Chinese text.
- (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 Company Secretary of the Company is Mr. Leung Chi Kin, Stewart.
- (d) The registered office and the principal place of business of the Company is at 30/F., New World Tower, 18 Queen's Road Central, Hong Kong.