



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 OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held at Meeting Room 201B (New Wing), Hong Kong Convention & Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Friday, 24 November 2006 at 11:00 a.m. for the following purposes:

1. To consider and adopt the audited Statement of Accounts and the Report of Directors and Auditors for the year ended 30 June 2006.
2. To declare a final dividend.
3. To re-elect Directors and authorise the Directors to fix their remuneration.
4. To re-appoint Joint Auditors and authorise the 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 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 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;
- (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 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).”

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 the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) granting the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any such options granted under the share option scheme of the Company (the “Share Option Scheme”), the rules of the Share Option Scheme are contained in the document marked “A” produced to the meeting and for the purposes of identification signed by the Chairman thereof, the Share Option Scheme be and is hereby approved and adopted and the Directors be and is hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Option Scheme, including but without limitation:

- (i) to administer the Share Option Scheme under which options will be granted to participants eligible under the Share Option Scheme to subscribe for the shares of the Company (“Shares”);
- (ii) to modify and/or amend the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to the modification and/or amendment;
- (iii) to issue and allot from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the Share Option Scheme and subject to the Rules Governing the Listing of Securities on the Stock Exchange;
- (iv) to make application at appropriate time or times to the Stock Exchange and any other stock exchange upon which the issued Shares may for the time being be listed, for listing of and permission to deal in any Shares which may hereafter from time to time be issued and allotted pursuant to the exercise of options under the Share Option Scheme; and
- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Option Scheme.”

9. As special business to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT** the share option scheme of NWS Holdings Limited (the “NWS Share Option Scheme”) shall be amended as follows:

(A) Rule 8.1 of NWS Share Option Scheme be deleted in its entirety and the following new rule 8.1 be substituted thereof:

‘8.1 Subject to the following paragraphs of these Rules, an Option may be exercised by an Option Holder in accordance with the terms of the grant and the Scheme at such time and for such portion of the Shares granted under the relevant Option as the Directors shall in their absolute discretion see fit during the Option Period commencing on the date on which an Option is granted by resolution of the Directors and notwithstanding that the Scheme Period may have expired. However, in any event the Options must be exercised within the Option Period. Unless otherwise determined by the Directors and stated in the terms of the grant in respect of the Options, there is no minimum period for which an Option must be held before it can be exercised.’

- (B) Rule 8.2 of NWS Share Option Scheme be deleted in its entirety and the following new rule 8.2 be substituted thereof:

‘8.2 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) or death or retirement in accordance with the retirement provisions of his contract of employment, he or (as the case may be) his personal representative(s) may exercise all his Options within a period being the earlier of 6 months 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 provisions of his contract of employment, 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 Group or an Invested Entity*
in the event that the Eligible Employee’s employing company ceases to be a member of the Group or an Invested Entity, (a) Options granted to such Eligible Employee, to the extent vested at the time of his employing company ceases to be a member of the Group or an Invested Entity, shall be exercisable within a period being the earlier of 6 months after his employing company ceases to be a member of the Group or an Invested Entity or the expiration of the relevant Option Period; and (b) 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 Group or an Invested Entity, shall expire upon his employing company ceases to be a member of the Group or an Invested Entity;
- (iv) *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 expire upon the termination of employment;
- (v) *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 Rules 8.2(i) to (iv) above, (a) 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 6 months after the termination of employment or the expiration of the relevant Option Period; and (b) Options granted to such Eligible Employee, to the extent not vested at the time of termination of employment, shall expire upon the termination of employment, provided that in any of the above cases, the Directors may in their absolute discretion otherwise determine and/or subject to such conditions or limitations as the Directors may reasonably consider appropriate.’

- (C) Rule 12.1 of NWS Share Option Scheme be deleted in its entirety and the following new rule 12.1 be substituted thereof:

‘12.1 In the event of any alteration in the capital structure of the Company 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 the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company 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 (having received a confirmation in writing from the Auditors or an independent financial adviser to the Company (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 capitalisation issue where no such confirmation from the Auditors or an independent financial adviser to the Company (as the case may be) shall be required unless otherwise expressly required by the Directors) may deem appropriate provided always that:

- (a) no increase shall be made in the aggregate subscription price relating to any Option;
- (b) the proportion of the issued share capital of the Company 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 adjustments;

- (c) no adjustments shall be made which will enable a Share to be issued at less than its nominal value;
 - (d) 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
 - (e) no adjustments shall be made in the event of an issue of Shares as consideration in respect of a transaction to which the Company is a party.'
- (D) Rule 12.2 of NWS Share Option Scheme be deleted in its entirety and the following new rule 12.2 be substituted thereof:
- '12.2 Notice of any such adjustment shall be given to the Option Holders by the Company, which may, but need not, call in Option certificates for endorsement or replacement. The costs of the Auditors or the independent financial adviser to the Company (as the case may be) shall be borne by the Company.'

By Order of the Board
LEUNG Chi-Kin, Stewart
Company Secretary

Hong Kong, 31 October 2006

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 registered office of the Company at 30th Floor, New World Tower, 18 Queen's Road Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting or the adjourned meeting (as the case may be).
3. The register of members of the Company will be closed from Friday, 17 November 2006 to Friday, 24 November 2006, 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 Registrars, Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Thursday, 16 November 2006.

As at the date of this notice, (a) the Executive Directors of the Company are Dato' Dr. CHENG Yu-Tung, Dr. CHENG Kar-Shun, Henry, Dr. SIN Wai-Kin, David, Mr. LIANG Chong-Hou, David and Mr. LEUNG Chi-Kin, Stewart; (b) the Non-executive Directors of the Company are Mr. CHENG Yue-Pui, Mr. CHENG Kar-Shing, Peter, Mr. CHOW Kwai-Cheung, Mr. HO Hau-Hay, Hamilton and Mr. LIANG Cheung-Biu, Thomas and (c) the Independent Non-executive Directors of the Company are Lord SANDBERG, Michael, Mr. YEUNG Ping-Leung, Howard, Dr. CHA Mou-Sing, Payson, JP, Mr. CHA Mou-Zing, Victor (as alternate director to Dr. CHA Mou-Sing, Payson) and Mr. LEE Luen-Wai, John, JP.

"Please also refer to the published version of this announcement in The Standard."