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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your 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 NWS Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES,
ADOPTION OF THE NEW SHARE OPTION SCHEME AND
REFRESHMENT OF THE 10% LIMIT ON GRANT OF OPTIONS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of NWS Holdings Limited to be held at Meeting Room N101B (Expo Drive Entrance), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Monday, 21 November 2011 at 11:45 a.m. is set out in Appendix IV to this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar of NWS Holdings Limited in Hong Kong, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the meeting or any adjourned meeting should you so wish.

19 October 2011

* For identification purposes only

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company convened to be held at Meeting Room N101B (Expo Drive Entrance), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Monday, 21 November 2011 at 11:45 a.m., notice of which is set out in Appendix IV to this circular or, where the context so admits, any adjournment thereof
“Board”	the board of directors of the Company
“Bye-laws”	the bye-laws of the Company
“Company”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Eligible Employee(s)”	any employee (whether full time or part time employee, including any executive director but excluding any non-executive director) of the Company, any subsidiary or any Invested Entity
“Eligible Participant(s)”	any person or entity belonging to any of the classes of participants as set forth in the New Share Option Scheme
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 6 December 2001 and amended on 12 March 2003 and 24 November 2006
“General Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and deal with Shares in the manner as set out in ordinary resolution no. 5(I) of the notice of the Annual General Meeting
“Group”	the Company and its subsidiaries
“Hong Kong” or “HKSAR”	the Hong Kong Special Administrative Region of the PRC
“Invested Entity”	any entity in which any member of the Group holds any entity interest

DEFINITIONS

“Latest Practicable Date”	13 October 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme proposed to be conditionally approved and adopted by the Company at the Annual General Meeting, a summary of the principal terms of which is set out in Appendix III of this circular
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability and whose securities are listed on the Main Board of the Stock Exchange. As at the Latest Practicable Date, NWD held approximately 59.79% of the issued share capital of the Company
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme
“PRC”	The People’s Republic of China
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares in the manner as set out in ordinary resolution no. 5(II) of the notice of the Annual General Meeting
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended and supplemented from time to time
“Share(s)”	the share(s) of HK\$1.00 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE CHAIRMAN



新創建 NWS

新創建集團有限公司*
NWS HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(stock code: 659)

Executive Directors:

Dr. Cheng Kar Shun, Henry (*Chairman*)
Mr. Tsang Yam Pui
Mr. Lam Wai Hon, Patrick
Mr. Cheung Chin Cheung
Mr. William Junior Guilherme Doo
Mr. Cheng Chi Ming, Brian

Non-executive Directors:

Mr. Doo Wai Hoi, William (*Deputy Chairman*)
Mr. Wilfried Ernst Kaffenberger
(Alternate Director to Mr. Wilfried Ernst Kaffenberger:
Mr. Yeung Kun Wah, David)
Mr. To Hin Tsun, Gerald
Mr. Dominic Lai

Independent non-executive Directors:

Mr. Kwong Che Keung, Gordon
Dr. Cheng Wai Chee, Christopher
The Honourable Shek Lai Him, Abraham

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

Dear Sir or Madam,

**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES,
ADOPTION OF THE NEW SHARE OPTION SCHEME AND
REFRESHMENT OF THE 10% LIMIT ON GRANT OF OPTIONS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the Annual General Meeting, resolutions will be proposed to approve, among others, (i) the re-election of retiring Directors; (ii) the grant of the General Mandate and the Repurchase Mandate; (iii) the adoption of the New Share Option Scheme; and (iv) the refreshment of the 10% limit on grant of options.

** For identification purposes only*

LETTER FROM THE CHAIRMAN

The purpose of this circular is to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the Annual General Meeting.

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to bye-law 87 of the Bye-laws, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation provided that notwithstanding anything therein, each Director shall be subject to retirement by rotation at least once in every three years. Accordingly, Dr. Cheng Kar Shun, Henry, Mr. Doo Wai Hoi, William, Mr. Lam Wai Hon, Patrick and Mr. Cheng Chi Ming, Brian shall retire from their offices.

The abovementioned Directors, being eligible, shall offer themselves for re-election at the Annual General Meeting. Details of such Directors are set out in Appendix I to this circular.

GENERAL MANDATE AND REPURCHASE MANDATE

The existing general mandates to issue and to repurchase Shares will expire at the conclusion of the Annual General Meeting.

In order to provide flexibility and discretion to the Directors to issue new Shares, an ordinary resolution will be proposed at the Annual General Meeting that the Directors be granted the General Mandate to allot and issue new Shares up to an amount not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing such resolution and a separate ordinary resolution will also be proposed to extend the General Mandate by adding the nominal amount of any Shares repurchased by the Company pursuant to the Repurchase Mandate.

At the Annual General Meeting, an ordinary resolution will be proposed to the Shareholders that the Directors be granted the Repurchase Mandate to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing such resolution. An explanatory statement as required by the Listing Rules to provide the requisite information concerning the Repurchase Mandate is set out in Appendix II to this circular.

ADOPTION OF THE NEW SHARE OPTION SCHEME

The Existing Share Option Scheme was adopted by the Shareholders on 6 December 2001 and certain rules of this scheme were amended on 12 March 2003 and 24 November 2006. The Existing Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption and shall expire on 6 December 2011 accordingly.

The Board proposes to recommend to the Shareholders to approve the New Share Option Scheme so that Options may be granted to the Eligible Participants pursuant to the terms thereof. A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular.

Moreover, Rule 17.02(1)(a) of the Listing Rules requires a share option scheme of a listed issuer to be approved by the shareholders of the listed issuer at a general meeting. As the Company is a subsidiary of NWD, the adoption of the New Share Option Scheme is conditional upon the passing of the relevant resolution by NWD at the annual general meeting of its shareholders to be held on 22 November 2011.

LETTER FROM THE CHAIRMAN

The New Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution to approve the New Share Option Scheme by the Shareholders at the Annual General Meeting and to authorize the Board to grant the Options thereunder and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the Options under the New Share Options Scheme;
- (ii) the passing of an ordinary resolution by the shareholders of NWD at its annual general meeting to be held on 22 November 2011 to approve the adoption of the New Share Option Scheme; and
- (iii) the Listing Committee of the Stock Exchange granting approval to the listing of and permission to deal in such number of Shares to be issued by the Company pursuant to the exercise of Options which may be granted under the New Share Option Scheme.

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

The rules of the New Share Option Scheme provide that the Company may specify the Eligible Participant to whom Options shall be granted, the number of Shares subject to each Option and the date on which the Options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the New Share Option Scheme. The Board considers that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company.

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

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

An application will be made to the Stock Exchange of the listing and permission to deal in the Shares that may be issued pursuant to the exercise of Options that may be granted under the New Share Option Scheme.

LETTER FROM THE CHAIRMAN

REFRESHMENT OF THE 10% LIMIT ON GRANT OF OPTIONS

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

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

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

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

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

LETTER FROM THE CHAIRMAN

The refreshment of the 10% limit on grant of options is conditional upon:

- (i) the passing of an ordinary resolution to approve the refreshment of the 10% limit by the Shareholders at the Annual General Meeting;
- (ii) the passing of an ordinary resolution by the shareholders of NWD at its annual general meeting to be held on 22 November 2011 to approve the refreshment of the 10% limit; and
- (iii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares (representing 10% of the Shares in issue as at the date of the Annual General Meeting approving the refreshment of the 10% limit) which may fall to be issued pursuant to the exercise of options under the Existing Share Option Scheme and any other share option scheme(s) of the Company, including the New Share Option Scheme.

Application will be made to the Listing Committee of the Stock Exchange for approval of the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of options under the Existing Share Option Scheme and any other share option scheme(s) of the Company, including the New Share Option Scheme.

ANNUAL GENERAL MEETING

Set out in Appendix IV to this circular is a notice convening the Annual General Meeting. A form of proxy for use in connection with the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting should you desire.

The voting at the Annual General Meeting will be taken by poll.

After the conclusion of the Annual General Meeting, the results of the poll will be published on HKExnews website at www.hkexnews.hk and the Company's website at www.nws.com.hk.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of the New Share Option Scheme is available for inspection at the office of the Company in Hong Kong at 28/F., New World Tower, 18 Queen's Road Central, Hong Kong during normal business hours from the date of this circular up to and including the date of the Annual General Meeting and at the Annual General Meeting.

LETTER FROM THE CHAIRMAN

RESPONSIBILITY STATEMENT

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

RECOMMENDATION

The Directors believe that the proposals for the re-election of the retiring Directors, the grant of the General Mandate and the Repurchase Mandate, the adoption of the New Share Option Scheme and the refreshment of the 10% limit on grant of options are in all the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of the proposed resolutions as set out in the notice convening the Annual General Meeting.

GENERAL

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

Yours faithfully,
Dr. Cheng Kar Shun, Henry
Chairman

The following are the particulars of the Directors who will retire and, being eligible, offer themselves for re-election at the Annual General Meeting:

Dr. Cheng Kar Shun, Henry, aged 64, was appointed as Executive Director in March 2000 and became the Chairman in March 2001. He is also a member of the Executive Committee of the Company and a director of certain subsidiaries of the Group. Dr. Cheng is the Managing Director of NWD (stock code: 17), a substantial shareholder of the Company, the Chairman and Managing Director of New World China Land Limited (stock code: 917), the Chairman and Non-executive Director of New World Department Store China Limited (stock code: 825) and the Chairman of International Entertainment Corporation (stock code: 1009), an independent non-executive director of HKR International Limited (stock code: 480) and a non-executive director of Lifestyle International Holdings Limited (stock code: 1212), all being listed public companies in Hong Kong. He was the Chairman of Taifook Securities Group Limited (stock code: 665, now known as Haitong International Securities Group Limited), a listed public company in Hong Kong, up to his resignation on 13 January 2010. Dr. Cheng is also the Managing Director of New World Hotels (Holdings) Limited and a director of several substantial shareholders of the Company, namely Cheng Yu Tung Family (Holdings) Limited, Centennial Success Limited, Chow Tai Fook Enterprises Limited and Mombasa Limited. Dr. Cheng is the Chairman of the Advisory Council for The Better Hong Kong Foundation and a Standing Committee Member of the Eleventh Chinese People's Political Consultative Conference of the PRC. In 2001, he was awarded the Gold Bauhinia Star by the Government of the HKSAR. Dr. Cheng is the father of Mr. Cheng Chi Ming, Brian, the brother-in-law of Mr. Doo Wai Hoi, William and the uncle of Mr. William Junior Guilherme Doo.

Save as disclosed above, Dr. Cheng did not hold any directorship in other listed public companies in the last three years.

Dr. Cheng's service contract provides for a fixed term of three years but also subject to the rotational retirement and re-election requirements at annual general meeting pursuant to the Bye-laws. His emoluments comprise annual salary package, discretionary bonus and share options and a director's fee to be reviewed and determined by the Board annually with the authorization granted by the Shareholders at an annual general meeting of the Company and taking reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation. For the financial year ended 30 June 2011, he was paid HK\$0.30 million as director's fee of the Company and an aggregate amount of approximately HK\$10.62 million as salary, bonus, allowances and retirement benefits contribution.

Save as disclosed above, Dr. Cheng is not connected with any directors, senior management or substantial and controlling shareholders of the Company. Except for the aggregate interest in 25,768,798 Shares, which includes personal interest in 13,768,798 Shares and corporate interest in 12,000,000 Shares, and the 4,553,871 outstanding options granted by the Company, as at the Latest Practicable Date, Dr. Cheng does not have other interests in Shares within the meaning of Part XV of the SFO.

Dr. Cheng has not been involved in any of the matters as mentioned under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters in relation to Dr. Cheng that need to be brought to the attention to the Shareholders.

Mr. Doo Wai Hoi, William, aged 67, was appointed as Executive Director in March 2000 and became the Deputy Chairman in January 2003. He was re-designated to Non-executive Director in October 2009. He is also a director of a subsidiary of the Group. Mr. Doo's corporate positions include: Vice Chairman and Non-executive Director of New World China Land Limited (stock code: 917); Executive Director of Lifestyle International Holdings Limited (stock code: 1212) and Independent Non-executive Director of The Bank of East Asia, Limited (stock code: 23) and Shanghai Industrial Urban Development Group Limited (stock code: 563), all being listed public companies in Hong Kong. Moreover, he was the Deputy Chairman of Taifook Securities Group Limited (stock code: 665, now known as Haitong International Securities Group Limited), a listed public company in Hong Kong, up to his resignation on 13 January 2010. He is also a director of New World Hotels (Holdings) Limited and Fung Seng Diamond Company Limited. Mr. Doo is a member of the Standing Committee of the Eleventh Chinese People's Political Consultative Conference in Shanghai and the Convener of the Shanghai Committee in Hong Kong and Macau. He has been also serving as a Governor of the Canadian Chamber of Commerce in Hong Kong since 1995. He is the Honorary Consul of the Kingdom of Morocco in Hong Kong. In 2008, he was awarded the Chevalier de la Légion d'Honneur by the Republic of France. Mr. Doo is the father of Mr. William Junior Guilherme Doo, the brother-in-law of Dr. Cheng Kar Shun, Henry and the uncle of Mr. Cheng Chi Ming, Brian.

Save as disclosed above, Mr. Doo did not hold any directorship in other listed public companies in the last three years.

Mr. Doo's service contract provides for a fixed term of three years but also subject to the rotational retirement and re-election requirements at annual general meeting pursuant to the Bye-laws. His emoluments comprise annual salary package, discretionary bonus and share options and a director's fee to be reviewed and determined by the Board annually with the authorization granted by the Shareholders at an annual general meeting of the Company and taking reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation. For the financial year ended 30 June 2011, he was paid HK\$0.15 million as director's fee of the Company and an aggregate amount of HK\$0.02 million as allowances from the Company.

Save as disclosed above, Mr. Doo is not connected with any directors, senior management or substantial and controlling shareholders of the Company. Except for the aggregate interest in 16,704,849 Shares, which includes personal interest in 3,009,849 Shares and corporate interest in 13,695,000 Shares, and the 3,035,914 outstanding options granted by the Company, as at the Latest Practicable Date, Mr. Doo does not have other interests in Shares within the meaning of Part XV of the SFO.

Mr. Doo has not been involved in any of the matters as mentioned under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing rules and there are no other matters in relation to Mr. Doo that need to be brought to the attention to the Shareholders.

Mr. Lam Wai Hon, Patrick, aged 49, was appointed as Executive Director in January 2003 and is also a member of each of the Executive Committee, the Remuneration Committee and the Corporate Social Responsibility Committee of the Company. He is also a director of certain subsidiaries of the Group. On 20 May 2011, Mr. Lam was appointed as the Vice Chairman and a non-executive director of Newton Resources Ltd (stock code: 1231), the shares of which were listed on the Stock Exchange on 4 July 2011. He is also a non-executive director of Wai Kee Holdings Limited (stock code: 610) and Road King Infrastructure Limited (stock code: 1098), both being listed public companies in Hong Kong, and the Assistant General Manager of NWD (stock code: 17), a substantial shareholder of the Company. He is mainly responsible for overseeing the services business of the Group and managing the financial and human resources aspects of the Company. His area of responsibilities in New World Group includes property investment and development as well as service business. Moreover, Mr. Lam was a non-executive director of Build King Holdings Limited (stock code: 240) and Taifook Securities Group Limited (stock code: 665, now known as Haitong International Securities Group Limited), both being listed public companies in Hong Kong, up to his resignation on 24 October 2008 and 13 January 2010 respectively. He was also a director of Guangdong Baolihua New Energy Stock Co., Ltd., a listed company in the PRC, up to his resignation on 1 April 2011. Mr. Lam is a Chartered Accountant by training and is a fellow of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales and a member of the Institute of Chartered Accountants of Ontario, Canada.

Save as disclosed above, Mr. Lam did not hold any directorship in other listed public companies in the last three years.

Mr. Lam's service contract provides for a fixed term of three years but also subject to the rotational retirement and re-election requirements at annual general meeting pursuant to the Bye-laws. His emoluments comprise annual salary package, discretionary bonus and share options and a director's fee to be reviewed and determined by the Board annually with the authorization granted by the Shareholders at an annual general meeting of the Company and taking reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation. For the financial year ended 30 June 2011, he was paid HK\$0.25 million as fees for acting as director and member of certain board committees of the Company and an aggregate amount of approximately HK\$7.03 million as salary, bonus, allowances and retirement benefits contribution.

Save as disclosed above, Mr. Lam is not connected with any directors, senior management or substantial and controlling shareholders of the Company. Except for the aggregate interest in 1,494,394 Shares, which includes personal interest in 1,486,786 Shares and corporate interest in 7,608 Shares, and the 2,276,933 outstanding options granted by the Company, as at the Latest Practicable Date, Mr. Lam does not have other interests in Shares within the meaning of Part XV of the SFO.

On 13 March 2008, the Takeovers Executive of the Securities and Futures Commission issued a notice criticizing NWS Financial Management Services Limited, a wholly-owned subsidiary of the Company, and two of its directors, including Mr. Lam, for breaching Rule 31.3 of the Takeovers Code in connection with the acquisition of shares of Taifook Securities Group Limited by NWS Financial Management Services Limited at prices higher than the offer price during the six-month period after the close of the unconditional offer for all the shares of Taifook Securities Group Limited made by NWS Financial Management Services Limited. The breach was caused by an inadvertent miscalculation of the six-month period as prescribed under Rule 31.3 of the Takeovers Code.

Save as disclosed above, Mr. Lam has not been involved in any of the matters as mentioned under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing rules and there are no other matters in relation to Mr. Lam that need to be brought to the attention to the Shareholders.

Mr. Cheng Chi Ming, Brian, aged 28, was appointed as Executive Director on 1 July 2009 and is also a member of the Executive Committee of the Company. He is also a director of certain subsidiaries of the Group. He has been with the Company since January 2008 and is mainly responsible for overseeing the infrastructure business and the merger and acquisition affairs of the Group. On 20 May 2011, Mr. Cheng was appointed as a non-executive director of Newton Resources Ltd (stock code: 1231), the shares of which were listed on the Stock Exchange on 4 July 2011. He is currently a non-executive director of Haitong International Securities Group Limited (stock code: 665) and Fook Woo Group Holdings Limited (stock code: 923), both being listed public companies in Hong Kong. He is also a director of Sino-French Holdings (Hong Kong) Limited, Sino-French Energy Development Company Limited, The Macao Water Supply Company Limited and a director of a number of companies in Mainland China. Moreover, Mr. Cheng was a non-executive director of Freeman Financial Corporation Limited (stock code: 279), a listed public company in Hong Kong, up to his retirement on 30 August 2011. Before joining the Company, Mr. Cheng had been working as a research analyst in the Infrastructure and Conglomerates sector for CLSA Asia-Pacific Markets. Mr. Cheng holds a Bachelor of Science degree from Babson College in Massachusetts, U.S.A. Mr. Cheng is the son of Dr. Cheng Kar Shun, Henry, the nephew of Mr. Doo Wai Hoi, William and the cousin of Mr. William Junior Guilherme Doo.

Save as disclosed above, Mr. Cheng did not hold any directorship in other listed public companies in the last three years.

Mr. Cheng's service contract provides for a fixed term of three years but also subject to the rotational retirement and re-election requirements at annual general meeting pursuant to the Bye-laws. His emoluments comprise annual salary package, discretionary bonus and share options and a director's fee to be reviewed and determined by the Board annually with the authorization granted by the Shareholders at an annual general meeting of the Company and taking reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation. For the financial year ended 30 June 2011, he was paid HK\$0.15 million as fees for acting as director of the Company and an aggregate amount of approximately HK\$3.74 million as salary, bonus, allowances and retirement benefits contribution.

Save as disclosed above, Mr. Cheng is not connected with any directors, senior management or substantial and controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Cheng does not have any interests in shares of the Company within the meaning of Part XV of the SFO.

Mr. Cheng has not been involved in any of the matters as mentioned under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing rules and there are no other matters in relation to Mr. Cheng that need to be brought to the attention to the Shareholders.

This explanatory statement contains the information required by the Listing Rules. Its purpose is to provide to the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

(A) SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,387,844,755 fully paid up Shares. Subject to the passing of the relevant ordinary resolution approving the Repurchase Mandate on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 338,784,475 Shares.

(B) REASONS FOR REPURCHASES

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

(C) FUNDING OF REPURCHASES

Pursuant to the Listing Rules, repurchases must be financed out of funds legally available for the purpose in accordance with the Company's constitutive documents and the laws of the jurisdiction in which the Company is incorporated or otherwise established.

The Company is empowered by its Memorandum of Association and Bye-laws to repurchase its Shares. Repurchases will be funded from the Company's available cash flow or working capital facilities. The laws of Bermuda provide that repurchases may only be effected out of the capital paid up on the repurchased Shares or out of the funds of the Company otherwise available for dividend or distribution or out of proceeds of a fresh issue of Shares made for the purpose. Any premium payable on a repurchase over the par value of the Shares to be repurchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account or contributed surplus account. No repurchase may be made if on the date on which the repurchase is to be effected, there are reasonable ground for believing the Company is, or after the repurchase would be, unable to pay its liabilities as they become due.

The Directors consider that there might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of Company for the financial year ended 30 June 2011) in the event that the Repurchase Mandate was to be exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital or gearing ratio of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

(D) UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchases under the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda and in accordance with the regulations set out in the Memorandum of Association and Bye-laws of the Company.

None of the Directors nor, to the best of their knowledge having made all reasonable inquiries, any of their associates (as defined in the Listing Rules) has any present intention to sell Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company nor have they undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

(E) EFFECT OF TAKEOVERS CODE

Repurchase of Shares may result in an increase in the proportionate interests of a Shareholder in the voting rights of the Company and such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

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 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:

Name	Number of shares			Approximate percentage of the issued share capital of the Company as at the Latest Practicable Date	Approximate percentage of the issued share capital of the Company if the Repurchased Mandate is exercised in full
	Beneficial interests	Corporate interests	Total		
Cheng Yu Tung Family (Holdings) Limited	-	2,115,300,747	2,115,300,747	62.44%	69.38%
Centennial Success Limited	-	2,115,300,747	2,115,300,747	62.44%	69.38%
Chow Tai Fook Enterprises Limited	89,747,839	2,025,552,908	2,115,300,747	62.44%	69.38%
NWD	1,340,426,579	685,126,329	2,025,552,908	59.79%	66.43%
Mombasa Limited	608,580,373	-	608,580,373	17.96%	19.96%

In the event that the Directors shall exercise in full the Repurchase Mandate, the total interests of the above Shareholders would be increased to approximately the percentages shown in the last column of the above table and such increase will not give rise to an obligation to make a mandatory general offer under Rule 26 of the Takeovers Code and will not reduce the amount of Shares held by the public to be less than 25%.

(F) SHARE PRICES

The highest and lowest market prices at which the Shares have traded on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

		Per Share	
		Highest Price	Lowest Price
		<i>HK\$</i>	<i>HK\$</i>
2010:	October	12.720	10.200
	November	12.813	11.460
	December	13.480	11.740
2011:	January	13.580	11.840
	February	13.720	11.980
	March	12.800	11.360
	April	12.480	11.420
	May	11.920	10.680
	June	11.660	9.740
	July	11.560	10.520
	August	11.520	9.500
	September	11.260	10.240
	October (up to the Latest Practicable Date)	11.000	9.200

Note: Share prices for the period from 1 October 2010 to 15 November 2010 were adjusted due to the bonus issue of Shares of the Company in the financial year ended 30 June 2011 pursuant to the daily quotations sheets of the Stock Exchange.

(G) SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any of its Shares on the Stock Exchange or otherwise during the previous six months from the Latest Practicable Date.

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

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

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

2. DURATION OF THE NEW SHARE OPTION SCHEME

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

3. WHO MAY JOIN

Any person falling within any class of the Eligible Participants may, at the discretion of the Board, be offered the Options under the New Share Option Scheme to subscribe for such number of new Shares as the Board may determine at the exercise price calculated in accordance with paragraph 5 below. An Eligible Participant may be a person or entity belonging to any of the following classes:

- (i) any Eligible Employee;
- (ii) any non-executive director (including independent non-executive director) of the Company, any subsidiary or any Invested Entity;
- (iii) any supplier of goods or services to any member of the Group or any Invested Entity;
- (iv) any customer of any member of the Group or any Invested Entity;
- (v) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;
- (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (vii) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and
- (viii) any joint venture partner or business alliance that co-operates with any member of the Group or any Invested Entity in any area of business operation or development.

The basis of eligibility of any of the Eligible Participants to an offer for grant of any Option shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group.

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

4. PERFORMANCE TARGET

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

5. EXERCISE PRICE

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

6. LIMIT ON NUMBER OF SHARES THAT CAN BE ISSUED

(a) Outstanding Options limit

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

(b) Renewable 10% limit

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

(c) Approval for renewal of the 10% limit

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

(d) Specific approval for excess grant

The Company may seek separate approval from the Shareholders for the grant of Options beyond the 10% Limit provided that the Options in excess of the limit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought.

7. SINGLE PARTICIPANT LIMIT

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

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

8. GRANT OF OPTIONS TO CONNECTED PERSONS**(a) Grant to Director, chief executive or substantial shareholder**

Each grant of Options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding any non-executive Director who or whose associate is the proposed grantee of the Option).

(b) Grant to independent non-executive Director

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

(c) Limit on grants within 12 months

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

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

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

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

(d) Variation of terms

Any change in the terms of Options granted to an Option holder who is a substantial shareholder of the Company or an independent non-executive Director, or any of their respective associates must be approved by the Shareholders at general meeting.

9. PROCEDURES FOR ACCEPTANCE OF OPTIONS

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

10. RESTRICTION ON TRANSFER OF OPTIONS

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

11. EXERCISE OF OPTIONS

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

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

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

12. LAPSE OF OPTIONS**(a) Expiry of Option period**

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

(b) On cessation of being an Eligible Employee

If an Option holder, being an Eligible Employee, ceases to be an Eligible Employee under any of the following circumstances:

(i) On ill-health, disability, death or retirement of an Eligible Employee

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

(ii) On voluntary termination by an Eligible Employee

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

(iii) On cessation of an Eligible Employee's employing company being a member of the 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, (aa) Options granted to such Eligible Employee, to the extent vested at the time of his employing company ceases to be a member of the Group or an Invested Entity, shall be exercisable within a period being the earlier of six months after his employing company ceases to be a member of the Group or an Invested Entity or the expiration of the relevant Option period; and (bb) Options granted to such Eligible Employee, to the extent not vested at the time of his employing company ceases to be a member of the Group or an Invested Entity, shall lapse upon his employing company ceases to be a member of the Group or an Invested Entity;

(iv) On transfer of employment to affiliated company

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

(v) Termination for cause

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

(vi) Termination other than for cause

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

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

(c) On breach of contract or insolvency for other Eligible Participants

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

(d) On takeover offers

If, in consequences of any general offer made to the Shareholders or otherwise, any person shall have obtained control of the Company, then the Option holder shall be entitled at any time within the period of six months after such control has been obtained exercise his Options in whole or, in part, all Options (to the extent not already exercised) shall lapse upon expiry of such 6-month period provided that if, during such 6-month period, such person becomes entitled to exercise rights of compulsory acquisition of Shares pursuant to Section 103 of The Companies Act 1981 of Bermuda (as amended from time to time) and gives notice to any Shareholder that he intends to exercise such acquisition rights, the Options shall remain exercisable until the expiry of 1 month after the date of such notice and all Options (to the extent not already exercised) shall lapse upon expiry of such 1-month period.

(e) On liquidation

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

(f) On reconstruction

If under Section 99 of The Companies Act 1981 of Bermuda (as amended from time to time) a compromise or arrangement between the Company and its Shareholders or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall give notice thereof to all Option holders on the same date as notice of meeting is sent to the Shareholders or creditors of the Company, and thereupon each Option holder may, within two months thereafter or (if earlier) until the date on which such compromise or arrangement is sanctioned by the Court, exercise his Options, but such exercise shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. Upon such compromise or arrangement becoming effective, all Options (to the extent not already exercised) shall lapse.

13. CANCELLATION AND RE-GRANT OF OPTIONS

Options granted but not exercised may be cancelled if the Eligible Participant so agrees and new Options may only be made to the same Eligible Participant with available unissued Options (excluding the cancelled Options) within the limit approved by the Shareholders.

14. RANKING OF SHARES

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

15. ADJUSTMENT ON ALTERATION OF SHARE CAPITAL**(a) Adjustment of Option entitlement**

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalization of profits or reserves, rights issue, consolidation, sub-division or reduction of the share capital of 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 auditor or an independent financial advisor 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 capitalization issue where no such confirmation from the auditor or an independent financial advisor to the Company (as the case may be) shall be required unless otherwise expressly required by the Directors) may deem appropriate provided always that:

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

(b) Notice of adjustment

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 auditor or the independent financial advisor to the Company (as the case may be) shall be borne by the Company.

16. VARIATION OF THE TERMS OF THE NEW SHARE OPTION SCHEME

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

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

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

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

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

17. TERMINATION OF NEW SHARE OPTION SCHEME

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



新創建 NWS

新創建集團有限公司*

NWS HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(stock code: 659)

NOTICE IS HEREBY GIVEN THAT the annual general meeting of the Company will be held at Meeting Room N101B (Expo Drive Entrance), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Monday, 21 November 2011 at 11:45 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the Reports of the Directors and Auditor for the year ended 30 June 2011.
2. To declare a final dividend.
3.
 - (a) To re-elect Dr. Cheng Kar Shun, Henry as Director.
 - (b) To re-elect Mr. Doo Wai Hoi, William as Director.
 - (c) To re-elect Mr. Lam Wai Hon, Patrick as Director.
 - (d) To re-elect Mr. Cheng Chi Ming, Brian as Director.
 - (e) To authorize the Board of Directors to fix the Directors' remuneration.
4. To re-appoint Auditor and to authorize the Board of Directors to fix the Auditor's remuneration.
5. As special business, to consider and if thought fit, pass with or without amendment, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

I. "THAT:

- (A) subject to paragraph (C) of this resolution, 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 in the capital of the Company or securities convertible into such shares or options, warrants, or similar rights to subscribe for any shares or convertible securities and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (B) the approval in paragraph (A) of this resolution shall authorize the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (C) the aggregate nominal value 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 granted in paragraph (A) of this resolution, otherwise than pursuant to (i) a Right Issue (as hereinafter defined); (ii) the exercise of any conversion rights attaching to any securities which are convertible into shares of the Company; (iii) the exercise of the rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to Directors and/or employees of the Company and/or any of its subsidiaries of options to subscribe for, or rights to acquire, shares of the Company, or (iv) any issue of shares as scrip dividends or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company; shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the approval granted in paragraph (A) 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 the bye-laws of the Company or any applicable laws to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Right Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (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 recognized regulatory body or any stock exchange, in any territory outside Hong Kong).”

II. “**THAT**:

- (A) subject to paragraph (B) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or that 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 which may be repurchased by the Company pursuant to the approval in paragraph (A) of this resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the authority granted pursuant to paragraph (A) of this resolution shall be limited accordingly; and
- (C) 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 the bye-laws of the Company or any applicable laws to be held; and
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
- III. “**THAT** conditional upon the Ordinary Resolutions No. I and II being passed, the general mandate granted to the Directors of the Company pursuant to Ordinary Resolution No. I be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the Directors of the Company pursuant to such general mandate, an amount representing the aggregate nominal amount of the shares repurchased by the Company under the authority granted pursuant to Ordinary Resolution No. II provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”

- IV. “**THAT** subject to the approval by the shareholders of New World Development Company Limited, the holding company of the Company, at its annual general meeting to be held on 22 November 2011 (or any adjournment thereof) and the Listing Committee of the Stock Exchange granting the listing of and permission to deal in, the shares of HK\$1.00 each in the capital of the Company (the “Shares”) which may fall to be issued pursuant to the share option scheme (a copy of which is produced to the meeting marked “A” and signed by the Chairman of this meeting for the purpose of identification) (the “New Share Option Scheme”), the New Share Option Scheme be and is hereby approved and adopted by the Company and the Directors of the Company be and are hereby authorized to grant options and to allot, issue and deal with the Shares pursuant to the exercise of any option granted thereunder and to take such steps and do such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme.”
- V. “**THAT** subject to the approval by the shareholders of New World Development Company Limited, the holding company of the Company, at its annual general meeting to be held on 22 November 2011 (or any adjournment thereof) and the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares (representing 10% of the Shares in issue as at the date of passing of this resolution) which may be issued pursuant to the exercise of options granted under the Company’s share option scheme adopted on 6 December 2001, the New Share Option Scheme and any other share option scheme(s) of the Company, (the “Schemes”), the refreshment of the scheme limit in respect of the grant of share options to subscribe for the Shares under the Schemes, provided that the total number of Shares which may be allotted or issued pursuant to the grant or exercise of share options under the Schemes (excluding share options previously granted, outstanding, cancelled, lapsed or exercised under the Schemes) shall not exceed 10% of the Shares in issue as at the date of passing of this resolution (the “Refreshed Mandate Limit”), be and is hereby approved and the Directors of the Company be and are hereby authorized to grant share options under the Schemes up to the Refreshed Mandate Limit, to exercise all powers of the Company to allot, issue and deal with the Shares pursuant to the exercise of such share options and to do such acts and execute such documents for or incidental to such purpose.”

By Order of the Board
Chow Tak Wing
Company Secretary

Hong Kong, 19 October 2011

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the instrument appointing a proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the appointed time for holding of the meeting or at any adjournment thereof.
3. The register of members of the Company will be closed from 17 November 2011 to 21 November 2011, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on 16 November 2011.

The register of members of the Company will also be closed on 25 November 2011 and no transfer of shares will be registered on that day. In order to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on 24 November 2011.