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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** about this circular or as to the action to be taken, you should consult a stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Shanghai Land Holdings Limited, you should at once hand this circular with the enclosed 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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**Shanghai Land Holdings Limited**  
**上海地產控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**GENERAL MANDATES**  
**TO ISSUE SHARES AND TO REPURCHASE SHARES**

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A notice convening the Annual General Meeting of Shanghai Land Holdings Limited to be held at 67th Floor, The Center, 99 Queen's Road Central, Hong Kong on Friday, 27 December 2002 at 2:30 p.m. to approve the matters referred to in this circular is sent together with this circular.

Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

Hong Kong, 5 December 2002

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 67th Floor, The Center, 99 Queen’s Road Central, Hong Kong, on Friday, 27 December 2002 at 2:30 p.m.;
“Associates”	has the same meaning ascribed in the Listing Rules;
“Board”	the board of Directors of the Company;
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Company”	Shanghai Land Holdings Limited, a company incorporated in Hong Kong with limited liability, the securities of which are listed on the Stock Exchange;
“Connected Person”	a director, chief executive or substantial shareholder of a company or any of its subsidiaries or their respective associates (as such term is defined in the Listing Rules);
“Directors”	the directors of the Company;
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	2 December 2002, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“NNGIL”	New Nongkai Global Investments Limited;
“SDI Ordinance”	the Securities (Disclosure of Interests) Ordinance, Chapter 396 of the Laws of Hong Kong;
“Share Repurchase Mandate”	a general mandate to the Directors to exercise the powers of the Company to repurchase, during the period set out in the Share Repurchase Resolution, Shares up to a maximum of 10% of the issued share capital of the Company at the date of passing the Share Repurchase Resolution;
“Share Repurchase Resolution”	the proposed ordinary resolutions referred to in item no. 4B of the notice of the Annual General Meeting dated 5 December 2002;
“Share(s)”	ordinary share(s) with a par value of HK\$0.50 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers.

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## LETTER FROM THE BOARD

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# Shanghai Land Holdings Limited 上海地產控股有限公司

*(Incorporated in Hong Kong with limited liability)*

*Executive Directors:*

CHAU CHING NGAI (*Chairman*)  
LEE DENG CHARNG  
GONG BEI YING  
JIANG DONG LIANG  
MAO WEI PING  
SHAN ZHENGLIN  
KOO HOI YAN, DONALD

*Registered Office:*

67th Floor  
The Center  
99 Queen's Road Central  
Hong Kong

*Non-executive Directors:*

TAN LIM HENG  
FAN CHO MAN

*Independent Non-executive Directors:*

LIU LIT MAN  
MOK CHIU KUEN

5 December 2002

*To the shareholders of the Company*

Dear Sir or Madam,

### **GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES**

#### **INTRODUCTION**

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the forthcoming Annual General Meeting. These include resolutions relating to (i) a general mandate for the issue of new Shares by the Company; and (ii) a general mandate for the repurchase by the Company of its own Shares.

#### **GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

At the annual general meeting of the Company held on 23 October 2001, resolutions were passed granting the Directors a general mandate to repurchase on the Stock Exchange up to 10% of the aggregate

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## LETTER FROM THE BOARD

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nominal amount of the Shares and a general mandate was also granted to the Directors to allot, issue and deal with additional Shares and other securities of the Company up to a maximum of 20% of the aggregate amount of the issued Shares plus the amount of any Shares so repurchased. Such mandates will expire at the conclusion of the Annual General Meeting. It is therefore proposed that the Company seeks the approval of the Shareholders of the relevant resolutions to be proposed at the Annual General Meeting in respect of renewal of the respective general mandates to issue, allot and deal with the new Shares and to repurchase Shares.

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to exercise all the powers of the Company to repurchase, on the Stock Exchange, the issued and fully paid Shares. Under such mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the Shares in issue on the date of passing the resolution.

An ordinary resolution will also be proposed at the Annual General Meeting to grant to the Directors a general mandate to allot, issue and otherwise deal with new Shares up to a limit equal to 20% of the issued Shares at the date of the passing of such resolution plus the amount of any Shares repurchased by the Company. As at the Latest Practicable Date, the number of issued and fully paid up Shares was 3,051,438,765 Shares. Subject to the passing of the aforesaid ordinary resolution and assuming no further Shares are issued or purchased prior to the Annual General Meeting, the Directors would be allowed to issue a maximum of 610,287,753 Shares under such mandate.

Shareholders should note that the Share Repurchase Mandate only covers purchases made during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting is required to be held under the Company's Articles of Association or any applicable laws to be held and the date upon which such authority is revoked or varied by Shareholders in general meeting.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing certain information necessary to enable Shareholders to make an informed decision on whether to vote for or against the Share Repurchase Resolution. The explanatory statement is set out in Appendix hereto.

Yours faithfully,  
For and on behalf of the Board  
**Shanghai Land Holdings Limited**  
**Chau Ching Ngai**  
*Chairman*

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide information to Shareholders for their consideration of the Share Repurchase Resolution and also constitutes the memorandum as required under section 49BA(3)(b) of the Companies Ordinance.

### **LISTING RULES FOR REPURCHASE OF SHARES**

#### **(a) Number of Shares to be purchased**

As at the Latest Practicable Date, the number of issued and fully paid up Shares was 3,051,438,765 Shares. Subject to the passing of the Share Repurchase Resolution and assuming no further Shares are issued or purchased prior to the Annual General Meeting, the Directors would be allowed under the Share Repurchase Mandate to purchase up to 305,143,876 Shares.

#### **(b) Reasons for Share purchase**

The Directors believe that the Share Repurchase Mandate is in the best interests of the Company and its Shareholders.

Purchases may, depending on market conditions and funding arrangements at the time, result in an enhancement of the net assets and/or earnings per share of the Company and will only be made when the Directors believe that such purchases will benefit the Company and its Shareholders.

#### **(c) Funding of Share purchase**

The funds required for any purchase would be derived from the distributable profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the purchase to such extent allowable under the Companies Ordinance and the Memorandum and Articles of Association of the Company and the laws of the jurisdiction in which the Company is incorporated.

There could be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited accounts for the year ended 30 June 2002) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed purchase period. However, the Directors do not propose to exercise the power to purchase Shares pursuant to the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### **(d) Disclosure of interests**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) have a present intention to sell any Shares to the Company or its subsidiaries under the Share Repurchase Mandate in the event that the Share Repurchase Mandate is approved by the Shareholders.

**(e) Undertaking**

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make Share purchases pursuant to the Share Repurchase Resolution and in accordance with the Listing Rules and the laws of Hong Kong.

**(f) Takeover Code**

Under the Takeover Code, an increase in a shareholder's proportionate interest in the voting rights of the Company, resulting from the exercise of the power to purchase Shares pursuant to the Share Repurchase Mandate, will be treated as an acquisition of voting rights. If a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of the Company because of such an increase of proportionate interest, they would be obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code.

As at the Latest Practicable Date, NNGIL holds 2,288,521,317 Shares representing approximately 75% of the issued share capital of the Company. Mr. Chau Ching Ngai was deemed under Section 8 of the SDI Ordinance to be interested in the 2,288,521,317 Shares held by NNGIL in which he can exercise one-third or more of its voting rights by virtue of his beneficial holding of the entire issued share capital of NNGIL.

Based on the above shareholdings, in the event that the power to repurchase Shares pursuant to the Share Repurchase Mandate is exercised in full, the interests as aforesaid of NNGIL and Mr. Chau Ching Ngai would be increased to approximately 83.33% of the issued share capital of the Company which would reduce the public shareholdings to below 25%. The Stock Exchange has indicated that no such approval will be given and the Directors have no present intention to exercise the Share Repurchase Mandate which will result in the public shareholdings being reduced to less than 25%. The Company is not aware of any consequence under the Takeover Code.

**(g) Share purchases made by the Company**

The Company has not purchased any Shares in the six months prior to the date of this circular (whether on the Stock Exchange or otherwise).

**(h) Connected Persons**

No Connected Persons of the Company have notified the Company that they have a present intention to sell any Shares to the Company or its subsidiaries or have undertaken not to sell any of the Shares held by them in the event that the Share Repurchase Mandate is approved by the Shareholders.

**(i) Share Prices**

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve months before the printing of this circular were as follows:

<b>Month</b>	<b>Highest trade price <i>HK\$</i></b>	<b>Lowest trade price <i>HK\$</i></b>
<b>2001</b>		
December	0.60	0.51
<b>2002</b>		
January	0.60	0.50
February	0.60	0.52
March	0.79	0.55
April	1.00	0.74
May	1.13	0.82
June	0.89	0.76
July	0.97	0.77
August	0.92	0.85
September	0.87	0.81
October	0.85	0.75
November	0.79	0.66