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

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

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新世界信息科技有限公司*
New World TMT Limited
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 0301)

**RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES,
AMENDMENTS TO ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of New World TMT Limited to be held at Meeting Room 201A (New Wing), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Wednesday, 30 November 2005 at 2:30pm is set out on pages 7 to 11 of this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the principal place of business of the Company in Hong Kong at 2008, 20/F., New World Tower 1, 18 Queen's Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

28 October 2005

* For identification purposes only

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company convened to be held at Meeting Room 201A (New Wing), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Wednesday, 30 November 2005 at 2:30pm
“Articles of Association”	the articles of association of the Company
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	New World TMT Limited, a company incorporated in the Cayman Islands and listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“General Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares in the manner as set out in the notice of the Annual General Meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	21 October 2005 being the latest practicable date before the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“NWD”	New World Development Company Limited, the Company’s holding company, the shares of which are listed on the Stock Exchange
“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 the notice of the Annual General Meeting
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	share(s) of HK\$1.00 each in the capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE CHIEF EXECUTIVE OFFICER

**NEW
WORLD
TMT**

新世界信息科技有限公司*
New World TMT Limited
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 0301)

Directors:

Executive Directors:

Dr CHENG Kar-Shun, Henry (*Chairman*)

Mr WONG Chi-Chiu, Albert (*Chief Executive Officer*)

Dr WAI Fung-Man, Norman

Non-executive Directors:

Mr FU Sze-Shing

Mr KAFFENBERGER, Wilfried Ernst

Mr LEE Sean, Sammy

Mr LAI Hing-Chiu, Dominic

Mr YEUNG Kun-Wah, David

*(alternate director to Mr KAFFENBERGER,
Wilfried Ernst)*

Independent Non-executive Directors:

Dr LAM Man-Kit, Dominic

The Honourable SHEK Lai-Him, Abraham

Mr KONG Chi-How, Johnson

Registered Office:

P.O. Box 309

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

British West Indies

**Principal place of business
in Hong Kong:**

2008, 20/F.

New World Tower 1

18 Queen's Road Central

Hong Kong

28 October 2005

To the shareholders

Dear Sir or Madam,

**RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES,
AMENDMENTS TO ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting relating to (i) the re-election of retiring Directors, (ii) the granting of the General Mandate, the Repurchase Mandate and the extension of the General Mandate; and (iii) the proposed amendments to the Articles of Association. Notice of the Annual General Meeting is set out in Appendix I to this circular.

* For identification purposes only

LETTER FROM THE CHIEF EXECUTIVE OFFICER

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 116 of the Articles of Association, Messrs Wong Chi-Chiu, Albert, Wai Fung-Man, Norman and Fu Sze-Shing shall retire at the Annual General Meeting and, being eligible, offer themselves for re-election at the Annual General Meeting. Information on retiring Directors proposed for re-election as required to be disclosed under the Listing Rules is set out in Appendix II to this circular.

GENERAL MANDATE AND REPURCHASE MANDATE

At the annual general meeting of the Company held on 7 December 2004, the Directors were granted a general mandate to repurchase Shares up to an amount not exceeding 10% of the Shares in issue and such repurchased Shares could be added to the general mandate granted to the Directors to allot and issue additional Shares. Each of such mandates will expire at the conclusion of the Annual General Meeting.

An ordinary resolution will be proposed at the Annual General Meeting to grant the General Mandate to the Directors 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 as at the date of the passing of the resolution. Such General Mandate will be extended by a separate resolution by adding to the aggregate nominal amount of Shares to be issued and allotted pursuant to the General Mandate the nominal amount of Shares repurchased by the Company pursuant to the Repurchase Mandate. The granting of the General Mandate will provide for flexibility to the Directors to issue Shares when it is in the interest of the Company. Any issue of new Shares in the Company is subject to the approval from the Stock Exchange for the listing of and permission to deal such new Shares.

At the Annual General Meeting, another ordinary resolution will be proposed to the Shareholders that the Directors be given a Repurchase Mandate to repurchase Shares up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution subject to the rules set out in this circular. An explanatory statement as required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in Appendix III to this circular.

LETTER FROM THE CHIEF EXECUTIVE OFFICER

AMENDMENTS TO ARTICLES OF ASSOCIATION

Subject to certain transitional arrangements, the Code on Corporate Governance Practices was incorporated as a new Appendix 14 in the Listing Rules with effect from 1 January 2005. Pursuant to the provisions of the Code on Corporate Governance Practices, (i) every Director, including those appointed for a specified term, should be subject to retirement by rotation at least once every three years; and (ii) a Director appointed to fill a casual vacancy should be subject to election by the Shareholders at the first general meeting after the appointment. The Board considers it necessary to amend the Articles of Association in order to adopt such provisions of the Code on Corporate Governance Practices.

The full text of the proposed amendments to the Articles of Association is set out in the notice of the Annual General Meeting, which is set out in Appendix I to this circular.

ACTION TO BE TAKEN

A form of proxy for use at the Annual General Meeting is enclosed herewith. Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 2008, 20/F., New World Tower 1, 18 Queen's Road Central, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. The completion and return of the form of proxy will not prevent you from attending and voting in person at the Annual General Meeting or any adjourned meeting should you so desire.

PROCEDURE FOR DEMANDING A POLL

Pursuant to existing Article 80 of the Articles of Association, a resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded by:

- (a) the chairman of the meeting; or
- (b) at least five Shareholders present in person or by proxy and entitled to vote;
or
- (c) any Shareholder or Shareholders present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or

LETTER FROM THE CHIEF EXECUTIVE OFFICER

- (d) any Shareholder or Shareholders present in person or by proxy and holding Shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

RECOMMENDATION

The Directors are pleased to recommend retiring Directors for re-election at the Annual General Meeting. The Directors believe that the granting of the General Mandate, the granting of the Repurchase Mandate, and the extension of the General Mandate and the proposed amendments to the Articles of Association are all in the best interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
WONG Chi-Chiu, Albert
Chief Executive Officer

NOTICE IS HEREBY GIVEN that the Annual General Meeting of New World TMT Limited (the “Company”) will be held at Meeting Room 201A (New Wing), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Wednesday, 30 November 2005 at 2:30pm for the following purposes:

1. To receive and consider the audited Financial Statements and the Reports of the Directors and Auditors for the year ended 30 June 2005.
2. To elect Directors and to fix their remuneration.
3. To appoint Auditors and to fix their remuneration.
4. As special business to consider, and if thought fit, pass (with or without modifications) the following resolutions as Ordinary Resolutions:

(1) **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot and issue additional shares in the capital of the Company 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) above shall authorize the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers 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) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) any scrip dividend 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 Articles of Association of the Company; or (iii) the exercise of any option under any share option scheme of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and

(d) 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 applicable law or the articles of association of the Company 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.

“Rights 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 legal or practical problems or restrictions under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

(2) **“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 issued shares in the capital of the Company 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 which is recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with Cayman Islands law and all applicable laws and/or the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or the rules 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 the shares to be repurchased by the Directors of the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the authority pursuant to paragraph (a) of this resolution 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 applicable law or the articles of association of the Company 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.”
- (3) **“THAT** conditional upon the passing of Ordinary Resolutions Nos. (1) and (2) as set out in the notice convening this meeting, the general unconditional mandate granted to the Directors of the Company pursuant to Ordinary Resolution No. (1) as set out in the notice convening this meeting be extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the shares repurchased by the Company pursuant to the authority to repurchase shares granted pursuant to Ordinary Resolution No. (2) as set out in the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent of the aggregate nominal value of the share capital of the Company in issue as at the date of this resolution.”

5. As special business to consider, and if thought fit, pass (with or without modifications) the following resolution as a Special Resolution:

“THAT the Articles of Association of the Company be amended as follows:

(1) By inserting a new Article 80(b) as follows:

“(b) any of the Directors who individually or collectively (with the Chairman of the meeting) hold proxies in respect of shares representing five per cent or more of the total voting rights at the meeting where, on a show of hands, such meeting votes in the opposite manner to that instructed by the grantors of those proxies; or”

(2) By re-numbering the existing Articles 80(b), 80(c) and 80(d) as new Articles 80(c), 80(d) and 80(e) respectively.

- (3) By deleting Article 99 and replacing it with the following:

“99 The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting provided that any Director who so retires shall not be taken into account in determining the number of Directors who are to retire at an annual general meeting by rotation pursuant to Article 116.”

- (4) By deleting Article 116 and replacing it with the following:

“116 At each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not exceeding, one-third, shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. A retiring Director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereat. Notwithstanding the provisions of these Articles, every Director shall be subject to retirement by rotation at least once every three years.”

- (5) By deleting Article 119 and replacing it with the following:

“119 The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than two. Subject to the provisions of these Articles and the Law, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office until the next following general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire at an annual general meeting by rotation pursuant to Article 116.”

By Order of the Board
Richard Poon
Company Secretary

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies (who must be individuals) to attend and vote on his behalf. A proxy need not be a member of the Company.
2. To be effective, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the principal place of business of the Company in Hong Kong at 2008, 20/F., New World Tower 1, 18 Queen's Road Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. With respect to Ordinary Resolution No. (1) set out in the above notice, approval is being sought from the members as a general mandate for the purpose of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
4. With respect to Ordinary Resolution No. (2), an explanatory statement containing further details regarding the repurchase by the Company of its own shares will be sent to the shareholders together with the Company's 2005 Annual Report.
5. The translation into Chinese language of this notice (including the Special Resolution which contains the proposed new Articles) is for reference only. In case of any inconsistency, the English version shall prevail.
6. As at the date of this notice, the directors of the Company comprises (i) three executive directors, namely Dr Cheng Kar-Shun, Henry, Mr Wong Chi-Chiu, Albert and Dr Wai Fung-Man, Norman; (ii) four non-executive directors, namely Mr Wilfried Ernst Kaffenberger (alternate director to Mr Wilfried Ernst Kaffenberger: Mr Yeung Kun-Wah, David), Mr Fu Sze-Shing, Mr Lee Sean, Sammy and Mr Lai Hing-Chiu, Dominic; and (iii) three independent non-executive directors, namely Dr Lam Man-Kit, Dominic, The Honourable Shek Lai-Him, Abraham and Mr Kong Chi-How, Johnson.

The following is the information as required to be disclosed under the Listing Rules on retiring Directors standing for re-election at the Annual General Meeting:

Mr Wong Chi-Chiu, Albert

Aged 49, was appointed Executive Director in 2003 and subsequently Chief Executive Officer of the Company in March 2004. He is also the managing director of New World Telecommunications Limited and a director of New World Telephone Holdings Limited. Mr Wong did not hold directorship in other listed public companies in the past three years. As a veteran in the telecom industry with more than 25 years' experience in corporate and operation management, Mr Wong has assumed various senior management positions since joining the New World Telephone Group in 1992. He has been instrumental in the rapid development of the New World Telephone Group to its current status as a major carrier of local and international fixed and broadband network and mobile communications.

Mr Wong received his Bachelor of Engineering and MBA degrees from the University of Hong Kong, and is a Chartered Engineer. He is a member of the Institution of Electrical Engineers, UK and the Hong Kong Institution of Engineers. Mr Wong currently serves as a member of the Electronics and Telecommunications Training Board of the Vocational Training Council.

There is no service contract between the Company and Mr Wong. He is not appointed for a specific term except that he is subject to retirement by rotation in accordance with the articles of association of the Company. His remuneration is determined by reference to factors including his duties and responsibilities with the Company, the Company's performance and the prevailing market conditions. For the year ended 30 June 2005, a remuneration of HK\$1,895,650 was paid to Mr Wong.

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

Dr Wai Fung-Man, Norman

Aged 57, was appointed Executive Director of the Company in January 2003. He is also an executive director and the chief executive officer of New World Mobile Holdings Limited (stock code: 862). Except as disclosed, Dr Wai did not hold directorship in other listed public companies in the past three years. Dr Wai is a veteran with 30 years of experience in telecommunications. Previously, he was a senior executive of various telecommunications companies in Europe, Canada and Hong Kong. Dr Wai holds a doctoral degree in Electronic Engineering, specializing in digital mobile data communications. He is a Chartered Engineer and a Fellow of The Institution of Electrical Engineers, UK.

There is no service contract between the Company and Dr Wai. He is not appointed for a specific term except that he is subject to retirement by rotation in accordance with the articles of association of the Company. His remuneration is determined by reference to factors including his duties and responsibilities with the Company, the Company's performance and the prevailing market conditions. For the year ended 30 June 2005, a remuneration of HK\$100,000 was paid to Dr Wai.

Save as disclosed above, Dr Wai does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Dr Wai does not have any interest in shares of the Company within the meaning of Part XV of the SFO.

Mr Fu Sze-Shing

Aged 56, was appointed a Non-executive Director of the Company in August 1999. He is a non-executive director of New World China Land Limited (stock code: 917), a director of New World Development (China) Limited and director of a number of companies with investments in China. Except as disclosed, Mr Fu did not hold directorship in other listed public companies in the past three years.

There is no service contract between the Company and Mr Fu. He is not appointed for a specific term except that he is subject to retirement by rotation in accordance with the articles of association of the Company. His remuneration is determined by reference to factors including his duties and responsibilities with the Company, the Company's performance and the prevailing market conditions. For the year ended 30 June 2005, a remuneration of HK\$100,000 was paid to Mr Fu.

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

The Board is not aware of any matters relating to the re-election of the above retiring Directors that need to be brought to the attention of the shareholders of the Company.

This appendix serves as the explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to provide you with the information necessary for your consideration of the Repurchase Mandate to be granted to the Directors.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 952,180,007 Shares.

Subject to the passing of the relevant ordinary resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 95,218,000 Shares.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to have general authority from the Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and articles of association and the applicable laws of the Cayman Islands. The laws of Cayman Islands provide that the purchase of Shares may only be effected out of the capital paid up on the purchased Shares, the profits otherwise available for dividend or out of the proceeds of a new issue of Shares made for the purpose. Any amount of premium payable on the purchase over the par value of the Shares to be purchased must be out of either the profits otherwise available for dividend or out of the Company's share premium account or out of contributed surplus.

There might be 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 for the year ended 30 June 2005) in the event that the proposed repurchase of Shares was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Group.

GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell Shares to the Company or its subsidiaries.

APPENDIX III EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

No connected person has notified the Company that he has a present intention to sell Shares to the Company or has undertaken not to do so, in the event that the Company is authorized to make purchases of Shares.

As at the Latest Practicable Date, NWD, directly and indirectly through its subsidiaries, held 519,919,085 Shares, representing approximately 54.60% of the issued share capital of the Company. Chow Tai Fook Enterprises Limited, by virtue of its interest in NWD, was deemed to be interested in the said 519,919,085 Shares. In the event that the Directors should exercise in full the Repurchase Mandate, the deemed interest of Chow Tai Fook Enterprises Limited in the Company would be increased to approximately 60.67% of the issued share capital of the Company. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any purchases made under the Repurchase Mandate. The Company has no present intention to repurchase Shares to such extent as to result in the amount of Shares held by the public being reduced to less than 25%.

MARKET PRICES

The highest and lowest traded prices for Shares recorded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	Highest HK\$	Lowest HK\$
2004		
October	0.790	0.540
November	0.730	0.560
December	0.660	0.580
2005		
January	0.630	0.550
February	0.660	0.560
March	0.600	0.490
April	0.610	0.490
May	0.550	0.445
June	0.570	0.445
July	0.500	0.445
August	0.500	0.430
September	0.465	0.425

SHARE PURCHASES MADE BY THE COMPANY

No purchase of Shares has been made by the Company in the previous six months preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).