

Other Information

DIRECTORS' RIGHTS TO ACQUIRE SHARE

Save as disclosed under the section headed **"DIRECTORS' INTERESTS IN SECURITIES"** below, at no time during the Period was the Company, its subsidiaries, its fellow subsidiaries or its holding companies a party to any arrangement to enable the Company's directors, their respective spouse, or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2005, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

Other Information

(A) Long positions – Interests in shares

As at 31 December 2005, none of the directors of the Company had any interests in the shares of the Company.

The interests of the directors in the shares of associated corporations were as follows:

	Number of shares/amount of registered capital				Approximate percentage of issued/registered capital as at 31 December 2005
	Personal interests	Family interests	Corporate interests	Total	
New World China Land Limited ("NWCL")					
<i>(Ordinary shares of HK\$0.10 each)</i>					
Dr. Cheng Kar Shun, Henry	-	-	52,271,200 ⁽¹⁾	52,271,200	1.38%
Mr. Doo Wai Hoi, William, JP	3,750,000	-	45,050,000 ⁽²⁾	48,800,000	1.29%
Mr. Chow Yu Chun, Alexander	3,250,000	-	-	3,250,000	0.09%
New World Development Company Limited ("NWD")					
<i>(Ordinary shares of HK\$1.00 each)</i>					
Dr. Cheng Kar Shun, Henry	-	300,000	-	300,000	0.01%
Mr. Kwong Che Keung, Gordon	30,000	-	-	30,000	0.00%
New World TMT Limited ("NWTMT")					
<i>(Ordinary shares of HK\$1.00 each)</i>					
Dr. Cheng Kar Shun, Henry	-	1,000,000 ⁽³⁾	-	1,000,000	0.11%
Mr. Doo Wai Hoi, William, JP	-	-	12,000,000 ⁽²⁾	12,000,000	1.26%
NWS Holdings Limited ("NWSH")					
<i>(Ordinary shares of HK\$1.00 each)</i>					
Dr. Cheng Kar Shun, Henry	3,179,199	587,000 ⁽³⁾	8,000,000 ⁽¹⁾	11,766,199	0.64%
Mr. Chow Yu Chun, Alexander	2,504,761	-	-	2,504,761	0.14%
Mr. Doo Wai Hoi, William, JP	2,006,566	-	3,130,000 ⁽²⁾	5,136,566	0.28%
Mr. Kwong Che Keung, Gordon	601,969	-	-	601,969	0.03%
Fung Seng Estate Development (Shanghai) Co., Ltd.					
<i>(Registered capital in US\$)</i>					
Mr. Doo Wai Hoi, William, JP	-	-	3,000,000 ⁽⁴⁾	3,000,000	30.00%

Other Information

	Number of shares/amount of registered capital				Approximate percentage of issued/registered capital as at 31 December 2005
	Personal interests	Family interests	Corporate interests	Total	
Master Services Limited <i>(Ordinary shares of US\$0.01 each)</i> Mr. Chow Yu Chun, Alexander	16,335	-	-	16,335	1.63%
Ramada Property Ltd. <i>(Ordinary shares of US\$1.00 each)</i> Mr. Doo Wai Hoi, William, JP	-	-	200 ⁽²⁾	200	20.00%
Shanghai Ju Yi Real Estate Development Co., Ltd. <i>(Registered capital in RMB)</i> Mr. Doo Wai Hoi, William, JP	-	-	105,000,000 ⁽⁴⁾	105,000,000	30.00%

Notes:

- (1) These shares are beneficially owned by a company wholly-owned by Dr. Cheng Kar Shun, Henry.
- (2) These shares are beneficially owned by companies wholly-owned by Mr. Doo Wai Hoi, William, JP.
- (3) These shares are held by the spouse of Dr. Cheng Kar Shun, Henry.
- (4) These represent the participating interests held by a company wholly-owned by Mr. Doo Wai Hoi, William, JP.

Other Information

(B) Long positions – Interests in underlying shares – share options

(i) The Company

As at 31 December 2005, the following directors had personal interest in options to subscribe for shares of the Company granted under the share option schemes of the Company:

Name of director	Date of grant	Number of share options				Balance at as 31 December 2005	Exercise price HK\$	Exercise period	Closing price immediately before the date of grant HK\$
		Balance as at 1 July 2005	Granted during the period	Exercise during the period	Lapsed during the period				
Dr. Cheng Kar Shun, Henry	28.1.2005	780,000	-	-	-	780,000	1.260	28.1.2005 to 31.12.2010	1.260
Mr. Cheng Ming Fun, Paul ⁽¹⁾	28.1.2005	78,000	-	-	78,000	-	1.260	28.1.2005 to 31.12.2010	1.260
Mr. Chow Yu Chun, Alexander	28.1.2005	482,000	-	-	-	482,000	1.260	28.1.2005 to 31.12.2010	1.260
Mr. Doo Wai Hoi, William, JP	28.1.2005	300,000	-	-	-	300,000	1.260	28.1.2005 to 31.12.2010	1.260
Mr. Ho Hau Chong, Norman	28.1.2005	78,000	-	-	-	78,000	1.260	28.1.2005 to 31.12.2010	1.260
Mr. Hui Chiu Chung, JP	8.4.2005	78,000	-	-	-	78,000	1.276	8.4.2005 to 31.12.2010	1.240
Mr. Kwong Che Keung, Gordon	28.1.2005	78,000	-	-	-	78,000	1.260	28.1.2005 to 31.12.2010	1.260
Mr. Lo Lin Shing, Simon	8.2.2002 ⁽²⁾	200,000	-	-	-	200,000	2.440 ⁽²⁾	9.2.2002 to 8.2.2008	N/A
	28.1.2005	78,000	-	-	-	78,000	1.260	28.1.2005 to 31.12.2010	1.260
Mr. To Hin Tsun, Gerald	28.1.2005	482,000	-	-	-	482,000	1.260	28.1.2005 to 31.12.2010	1.260
Dr. Wai Fung Man, Norman	28.1.2005	482,000	-	-	-	482,000	1.260	28.1.2005 to 31.12.2010	1.260
Mr. Wei Chi Kuan, Kenny	28.1.2005	78,000	-	-	-	78,000	1.260	28.1.2005 to 31.12.2010	1.260
		<u>3,194,000</u>	<u>-</u>	<u>-</u>	<u>78,000</u>	<u>3,116,000</u>			

Other Information

Notes:

- (1) Mr. Cheng Ming Fun, Paul resigned as director of the Company on 6 April 2005. As such, the share options granted to him lapsed on 6 July 2005 pursuant to the share option scheme.
- (2) These share options were granted under the share option scheme adopted by the Company on 11 September 1998.
- (3) The number as well as the exercise price of these share options were adjusted on 28 July 2004 as a result of the completion of the subscription agreement dated 29 March 2004 and the consolidation of the Company's shares from every 100 issued or unissued ordinary shares of HK\$0.01 each into 1 consolidated ordinary share of HK\$1.00 each.
- (4) Save for note (2) above, all share options were granted under the share option scheme adopted by the Company on 28 May 2002.

(ii) NWCL

Under the share option scheme of NWCL, a fellow subsidiary of the Company, the following directors of the Company were granted share options to subscribe for shares in NWCL:

Name of director	Date of grant	Exercise Period ⁽¹⁾	Number of share options with exercise price per share of HK\$1.782		
			Balance as at 1 July 2005	Exercised during the period	Balance as at 31 December 2005
Dr. Cheng Kar Shun, Henry	7.2.2001	8.3.2001 to 7.3.2006	12,500,000	-	12,500,000
Mr. Chow Yu Chun, Alexander	8.2.2001	9.3.2001 to 8.3.2006	6,250,000	3,250,000	3,000,000
Mr. Doo Wai Hoi, William, JP	8.2.2001	9.3.2002 to 8.3.2006	7,000,000	2,000,000	5,000,000

Other Information

Notes:

- (1) The share options are exercisable during a period of five years commencing from the expiry of one month after the dates of each grant when the offers of share options were accepted, provided that the maximum number of share options that can be exercised during a year is 20% of the total number of the share options granted together with any unexercised share options carried forward from the previous year.

(iii) *NWSH*

Under the share option scheme of NWSH, a fellow subsidiary of the Company, the following directors of the Company were granted share options to subscribe for shares in NWSH:

Name of director	Date of grant	Exercise Period	Number of share options with exercise price per share of HK\$3.719 ⁽¹⁾		
			Balance as at 1 July 2005	Exercised during the period	Balance as at 31 December 2005
Dr. Cheng Kar Shun, Henry	21.7.2003	(2)	1,009,849	1,009,849	-
Mr. Chow Yu Chun, Alexander	21.7.2003	(3)	134,647	-	134,647
Mr. Doo Wai Hoi, William, JP	21.7.2003	(2)	673,233	673,233	-
Mr. Kwong Che Keung, Gordon	21.7.2003	(2)	201,969	201,969	-
Mr. To Hin Tsun, Gerald	21.7.2003	(2)	201,969	201,969	-

Notes:

- (1) The number as well as the exercise price of these share options were adjusted on 30 June 2005 as a result of the interim scrip dividend declared by NWSH.
- (2) Exercisable from 21 July 2005 to 20 July 2008, both dates inclusive.
- (3) This is divided into 2 tranches exercisable from 21 July 2004 and 21 July 2005 respectively to 20 July 2008, both dates inclusive.

Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

Insofar as is known to the directors of the Company, as at 31 December 2005, the following parties (other than the directors or chief executive of the Company) were recorded in the register kept by the Company under section 336 of the SFO as being interested or deemed to be interested in 5% or more in the shares or underlying shares of the Company:

Long positions – Interests in the shares or underlying shares of the Company

Name	Capacity	Number of share/underlying shares			Approximate percentage of issued capital as at 31 December 2005
		Interests in shares	Interests in physically settled unlisted equity derivatives	Total	
New World CyberBase Nominee Limited ("NWCBN")	Beneficial owner	2,100,000	23,185,245 ⁽¹⁾	25,285,245	26.52%
New World Telephone Holdings Limited ("NWTHL")	Interest of a controlled corporation	2,100,000 ⁽²⁾	23,185,245 ⁽²⁾	25,285,245	26.52%
Power Palace Group Limited ("PPG")	Beneficial owner	53,236,666	1,000,000,000 ⁽³⁾	1,053,236,666	1,104.76%
NWD	Interest of a controlled corporations	55,336,666 ⁽⁴⁾	1,023,185,245 ⁽⁴⁾	1,078,521,911	1,131.28%
Chow Tai Fook Enterprises Limited ("CTF")	Interest of a controlled corporation	55,336,666 ⁽⁵⁾	1,023,185,245 ⁽⁵⁾	1,078,521,911	1,131.28%
Million Dollar Trading Limited	Beneficial Owner	16,153,846	-	16,153,846	16.94%
New World CyberBase Limited	Interest of a Controlled Corporation	16,153,846 ⁽⁶⁾	-	16,153,846 ⁽⁶⁾	16.94%

Other Information

Notes:

- (1) These 23,185,245 underlying shares represent the shares which may be issued upon the exercise of any of the conversion rights attaching to the outstanding convertible note in the principal amount of HK\$28,286,000 issued to NWCBN on 2 November 2001.
- (2) NWCBN is a wholly-owned subsidiary of NWTHL. Accordingly, NWTHL is deemed to be interested in the shares/underlying shares held by NWCBN.
- (3) These 1,000,000,000 underlying shares represent the shares which may be issued upon the exercise of any of the conversion rights attaching to the convertible note in the principal amount of HK\$1,200 million issued to PPG on 6 July 2004.
- (4) Each of PPG and NWTHL is a wholly-owned subsidiary of NWD. Accordingly, NWD is deemed to have an interest in the shares/underlying shares held by PPG and in the shares/underlying shares deemed to be interested by NWTHL.
- (5) CTF and its subsidiaries have interests in more than one-third of the issued shares of NWD and is accordingly deemed to have an interest in the shares/underlying shares deemed to be interested by NWD.
- (6) Million Dollar Trading Limited is a wholly-owned subsidiary of New World CyberBase Limited. Accordingly, New World CyberBase Limited is deemed to be interested in the shares/underlying shares held by Million Dollar Trading Limited.

SHARE OPTION SCHEME

At an extraordinary general meeting of the Company held on 28 May 2002, the shareholders of the Company approved the termination of the share option scheme adopted by the Company on 11 September 1998 (the "1998 Share Option Scheme") and the adoption of a new share option scheme (the "2002 Share Option Scheme") in compliance with the requirements of the Listing Rules. Upon termination of the 1998 Share Option Scheme, no further options could be granted under the 1998 Share Option Scheme. However, the outstanding share options granted thereunder would continue to be valid and exercisable in accordance with the provisions of the 1998 Share Option Scheme.

The following is a summary of the terms of the 2002 Share Option Scheme:

1. Purpose

The purpose of the 2002 Share Option Scheme is to enable the Company to grant options to the participants as incentive or rewards for their contributions to the Group.

Other Information

2. Participants

The participants of the 2002 Share Option Scheme include any director, employee, consultant, agent, supplier, customer or shareholder of the Group or any entity in which the Group holds any equity interest.

3. Number of shares available for issue

The total number of shares available for issue under the 2002 Share Option Scheme is 3,341,555 shares (adjusted as a result of the share consolidation on 7 July 2004) which represents 3.51% of the issued share capital of the Company as at the date of this report.

4. Maximum entitlement of each participant

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period must not exceed 1% of the shares of the Company in issue unless separately approved by the shareholders in general meeting.

5. Option period

An option may be exercised in accordance with the terms of the 2002 Share Option Scheme at any time during the period as the board of directors in its absolute discretion determine and in any event such period of time shall not be more than 10 years from the date upon which the offer of the option is made to the grantee.

6. Vesting period

The directors may, if consider appropriate, determine the minimum period for which an option must be held before it can be exercised.

7. Amount payable on acceptance of option

Upon acceptance of the offer for an option, the grantee shall pay HK\$1.00 as consideration for the grant.

8. Subscription price

The subscription price for a share in respect of any option granted shall be a price determined by the board of directors in its absolute discretion but shall be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business day immediately preceding the date of grant; and (iii) the nominal value of a share.

Other Information

9. Life of the scheme

The 2002 Share Option Scheme is valid and effective for a term of 10 years commencing 28 May 2002.

Movements of the share options granted under the 1998 Share Option Scheme and the 2002 Share Option Scheme during the Period were as follows:

(a) Share options to directors

Options had been granted to directors of the Company during the Period under the 2002 Share Option Scheme. Details of which are disclosed under the section headed "**DIRECTORS' INTERESTS IN SECURITIES**" above.

The directors consider that it is not appropriate to state the value of the options granted to the directors of the Company during the Period since there are some limitations in generally accepted methodologies (including the Black-Scholes option pricing model and the binomial model) in the valuation of the options. Furthermore, since a number of variables which are crucial to the calculation of the value of the options cannot be reasonably determined, the directors believe that any valuation of the options granted during the Period based on a great number of speculative assumptions would not be meaningful and may be misleading to the shareholders.

(b) Share options to employees

No share options were granted to employees of the Company under the 2002 Share Option Scheme.

There are no outstanding share options granted under the 1998 Share Option Scheme during the Period.

Other Information

CORPORATE GOVERNANCE

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the interim results announcement for the six months ended 31 December 2005.

In December 2004, the Stock Exchange promulgated a new Code on Corporate Governance Practices (the "CGP Code") which replaced the Code of Best Practice ("Code of Best Practice") in Appendix 14 of the Listing Rules. Except for those relating to internal controls which apply to accounting periods commencing on or after 1 July 2005, the CGP Code is applicable to accounting periods commencing on or after 1 January 2005. On the other hand, the Code of Best Practice remains applicable to the financial period commencing before 1 January 2005.

Throughout the period, the Company complied with the Code of Best Practice, except that the non-executive directors and independent non-executive directors of the Company are not appointed for a specific term but subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's articles of association.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding securities transactions by directors and employees who are likely to be in possession of unpublished price sensitive information of the Company on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Companies in Appendix 10 of the Listing Rules.

Having made specific enquiry by the Company, all directors have confirmed that they have complied with the required standard set out in such code of conduct throughout the Period for the six months ended 31 December 2005.

AUDIT COMMITTEE

The Audit Committee was established in May 1999 and has written terms of reference. The audit committee, which comprises the three independent non-executive directors of the Company namely Mr. Hui Chiu Chung, JP, Mr. Kwong Che Keung, Gordon and Mr. Wei Chi Kuan, Kenny. The Committee which is chaired by Mr. Kwong Che Keung, Gordon, is responsible for overseeing the Group's financial reporting and internal control system and has reviewed the unaudited consolidated financial statements of the Group for the period ended 31 December 2005.

Other Information

REMUNERATION COMMITTEE

The Remuneration Committee was established in June 2005 and has written terms of reference. The majority members are independent. The Committee is chaired by Dr. Wai Fung Man, Norman and the other members are Mr. Hui Chiu Chung, *JP* and Mr. Wei Chi Kuan, Kenny.

The Remuneration Committee is responsible for formulating and recommending remuneration policy to the board and determining the remuneration of executive directors and members of senior management, as well as reviewing and making recommendations on the Group's share option scheme, bonus structure, provident fund and other compensation-related issues.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

PUBLICATION OF FURTHER INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

A detailed announcement of the interim results of the Group for the six months ended 31 December 2005 containing all the information required by paragraphs 46(1) to 46(6) of Appendix 16 of the Listing Rules will be published on the Stock Exchange's website (<http://www.hkex.com.hk>) in due course.

BOARD MEMBERS

As at the date of this report, the Board of the Company comprises (i) five executive directors namely Dr. Cheng Kar Shun, Henry (Chairman), Mr. Doo Wai Hoi, William, *JP* (Vice Chairman), Dr. Wai Fung Man, Norman (Chief Executive Officer), Mr. To Hin Tsun, Gerald and Mr. Chow Yu Chun, Alexander; (ii) two non-executive directors namely Mr. Lo Lin Shing, Simon and Mr. Ho Hau Chong, Norman; and (iii) three independent non-executive directors namely Mr. Wei Chi Kuan, Kenny, Mr. Kwong Che Keung, Gordon and Mr. Hui Chiu Chung, *JP*.

By Order of the Board

Dr. Cheng Kar Shun, Henry
Chairman

Hong Kong, 13 March 2006