

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this document or as to the action you should take, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in NEW WORLD DEVELOPMENT COMPANY LIMITED (新世界發展有限公司), you should at once hand this document and the accompanying proxy form to the purchaser or transferee or to the bank, the licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

**PROPOSALS INVOLVING
GENERAL MANDATES TO BUY BACK SHARES AND
TO ISSUE SHARES,
MANDATE TO GRANT OPTIONS,
RE-ELECTION OF RETIRING DIRECTORS AND
APPROVAL OF NEW SHARE OPTION SCHEME OF
NWS HOLDINGS LIMITED
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of New World Development Company Limited (新世界發展有限公司) (the "Company") to be held at Meeting Room N201 (Expo Drive Entrance), Level 2, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Tuesday, 23 November 2021 at 11:45 a.m. is set out on pages 36 to 43 of this document. Whether or not you are able to attend the meeting physically or online, you are requested to submit your proxy appointment electronically or complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Tengis Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours (excluding a public holiday) before the time appointed for the holding of the meeting (i.e. not later than Saturday, 20 November 2021 at 11:45 a.m.) or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude Shareholders from attending and voting (whether physically or by means of electronic facilities) at the annual general meeting if they so wish.

**PRECAUTIONARY MEASURES FOR PHYSICAL ATTENDANCE
AT THE ANNUAL GENERAL MEETING**

Please refer to page 3 of this circular for the measures being taken to prevent and control the spread of the COVID-19 at the Annual General Meeting, including but not limited to:

- (1) Compulsory body temperature check
- (2) Compulsory wearing of surgical face mask
- (3) Maintaining a safe distance between seats
- (4) No provision of refreshments or beverages
- (5) No distribution of coupons for subsequent consumption

Any person who does not comply with the precautionary measures will be denied entry into or be required to leave the Annual General Meeting venue.

In light of the continuing risks posed by the COVID-19 and as part of the Company's control measures to safeguard the health and safety of the Shareholders, the Company strongly encourages the Shareholders to exercise their right to vote at the Annual General Meeting online or by appointing the chairman of the Annual General Meeting as their proxies and to return their proxy forms by the time specified above, instead of attending the Annual General Meeting in person physically.

In the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.

25 October 2021

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GUIDANCE FOR THE ANNUAL GENERAL MEETING

HYBRID ANNUAL GENERAL MEETING

In light of the COVID-19 pandemic and to safeguard Shareholders' health and safety, the Company will conduct a hybrid Annual General Meeting with the combination of in-room meeting and virtual meeting using the Tricor e-Meeting System. A hybrid general meeting enables the Shareholders to attend the meeting either in person physically or via an online platform allowing them to attend, participate, submit questions and vote electronically and to view live streaming of the Annual General Meeting.

Shareholders participating in the Annual General Meeting via such online platform will also be counted towards the quorum. The inability of any Shareholder or his proxy or (in the case of a Shareholder being a corporation) its duly authorised representative to access, or continue to access, such online platform despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted at the meeting or any action taken pursuant to such business provided that a quorum is present throughout the meeting.

HOW TO ATTEND AND VOTE?

Shareholders who wish to attend the Annual General Meeting and exercise their voting rights can be achieved in one of the following ways:

- (1) attend the Annual General Meeting in person physically and vote at the Annual General Meeting venue; OR
- (2) attend the Annual General Meeting via an online platform, namely, the Tricor e-Meeting System, which enables live streaming and interactive platform for Q&A and submission of their votes online; OR
- (3) appoint the chairman of the Annual General Meeting or other persons as their proxies to vote on their behalf (whether physically or via Tricor e-Meeting System).

Shareholders can refer to the notice of the Annual General Meeting and the Online Meeting User Guide (by scanning the QR code provided on the Notification Letter) in relation to attending the Annual General Meeting by electronic means.

Shareholders should note that only one device is allowed per login. Please keep the login details in safe custody for use at the Annual General Meeting and do not disclose them to anyone else. Neither the Company nor its share registrar assumes any obligation or liability whatsoever in connection with the transmission of the login details or any use of the login details for attendance, voting or otherwise. The submission of the vote through Tricor e-Meeting System using your login details will be conclusive evidence that the vote was cast by you as a Shareholder. The Company, its agents and its share registrar take no responsibility for all or any loss or other consequence caused by or resulting from any unauthorised use of the login details.

GUIDANCE FOR THE ANNUAL GENERAL MEETING

In the case of appointment of proxies submitted in electronic form, the proxy forms must be electronically submitted via Tricor e-Meeting System not less than 48 hours (excluding a public holiday) before the time appointed for the holding of the meeting (i.e. not later than Saturday, 20 November 2021 at 11:45 a.m.) or any adjournment thereof (as the case may be) by scanning the QR code provided on the Notification Letter or visiting the designated URL (<https://spot-meeting.tricor.hk/#/17>). Please use the username and password provided on the Notification Letter.

If your proxy (except when the chairman of the meeting is appointed as proxy) wishes to attend the Annual General Meeting and vote online, you must provide a valid email address of your proxy to the Company's share registrar, Tricor Tengis Limited, by calling its hotline at (852) 2975 0928 by 5:00 p.m. on 18 November 2021 for the necessary arrangements. If no email address is provided, your proxy cannot attend the Annual General Meeting and vote online. The email address so provided will be used by the Company's share registrar, Tricor Tengis Limited, for providing the login details for attending and voting at the Annual General Meeting via Tricor e-Meeting System. If your proxy has not received the login details by email by 11:45 a.m. on Monday, 22 November 2021, you should contact the Company's share registrar, Tricor Tengis Limited, hotline at (852) 2975 0928 for the necessary arrangements.

For corporate Shareholders who wish to (1) appoint proxy electronically to attend and vote at the Annual General Meeting on their behalf or (2) appoint the corporate representative to attend the Annual General Meeting and to vote online, please contact the Company's share registrar, Tricor Tengis Limited, hotline at (852) 2975 0928 by 5:00 p.m. on 18 November 2021 for the necessary arrangements (including the activation of the password provided on the Notification Letter).

For the beneficial owners whose Shares are held through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited would like to attend the Annual General Meeting in person physically or online, they should consult directly with their banks or brokers or custodians (as the case may be) for the necessary arrangements.

PRECAUTIONARY MEASURES FOR PHYSICAL ATTENDANCE AT THE ANNUAL GENERAL MEETING

The health of the Shareholders, staff and stakeholders of the Company is of paramount importance to us. To prevent and control the spread of the COVID-19, the Company will implement the following at the Annual General Meeting as part of the control measures to safeguard the health and safety of our attending Shareholders, staff and stakeholders of the Company:

- (1) Compulsory body temperature checks will be conducted for every attendee at the entrance of the Annual General Meeting venue. Any person who has a body temperature of over 37.5 degrees Celsius or is subject to the mandatory quarantine order imposed by the Hong Kong government will be denied entry into or be required to leave the Annual General Meeting venue.
- (2) Every attendee must wear a surgical face mask throughout the Annual General Meeting and inside the Annual General Meeting venue. **Please note that no masks will be provided at the Annual General Meeting venue and attendees should bring and wear their own masks.**
- (3) The Company will maintain a safe distance between seats.
- (4) No refreshments or beverages will be served.
- (5) No distribution of coupons for subsequent consumption.

In addition, the Company would like to remind all attending Shareholders that physical attendance in person at the Annual General Meeting is not necessary for the purpose of exercising voting rights. The Company strongly encourages the Shareholders to exercise their right to vote at the Annual General Meeting online or by appointing the chairman of the Annual General Meeting as their proxies, and return their proxy forms online via Tricor e-Meeting System or by delivery to the Company's share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours (excluding a public holiday) before the time appointed for holding the Annual General Meeting (i.e. not later than Saturday, 20 November 2021 at 11:45 a.m.) or any adjournment thereof (as the case may be).

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the Annual General Meeting arrangements at short notice. The Shareholders should check the Company's website (www.nwd.com.hk) or the HKEXnews' website (www.hkexnews.hk) for any future announcements and updates on the Annual General Meeting arrangements.

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Meeting Room N201 (Expo Drive Entrance), Level 2, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Tuesday, 23 November 2021 at 11: 45 a.m., notice of which is set out on pages 36 to 43 of this document
“Articles of Association”	the articles of association of the Company as altered from time to time
“Board”	the board of Directors
“Buy-back Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to buy back during the period as set out in the Buy-back Resolution Shares up to a maximum of 10% of the issued Shares of the Company as at the date of the Buy-back Resolution
“Buy-back Resolution”	the proposed ordinary resolution as referred to in resolution no.5 of the notice of the Annual General Meeting
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	New World Development Company Limited (新世界發展有限公司), a company incorporated in Hong Kong with limited liability under the Companies Ordinance, the Shares of which are listed on the Stock Exchange
“core connected person”	has the meaning ascribed to it in the Listing Rules
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China

DEFINITIONS

“Latest Practicable Date”	18 October 2021, being the latest practicable date prior to the printing of this document for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Notification Letter”	the notification letter sent to Shareholders by the Company on 25 October 2021 in relation to attending the Annual General Meeting by electronic means
“NWS”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange and held as to approximately 60.9% interests by the Group as at the Latest Practicable Date
“NWS Annual General Meeting”	the annual general meeting of NWS convened to be held on 22 November 2021
“NWS Existing Share Option Scheme”	the existing share option scheme of NWS which was adopted on 21 November 2011 and will expire on 21 November 2021
“NWS Group”	NWS and its subsidiaries
“NWS New Share Option Scheme”	the NWS New Share Option Scheme of NWS proposed to be conditionally approved and adopted at NWS Annual General Meeting, a summary of the principal terms of which is set out in Appendix III to this document
“NWS Shares”	share(s) of HK\$1.00 each in the share capital of NWS
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of the Company
“Share Buy-back Rules”	the relevant rules set out in the Listing Rules to regulate the buy-back by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange

DEFINITIONS

“Share Option Scheme”	the share option scheme adopted by the Company on 22 November 2016
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers as amended from time to time



新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

Directors:

Executive Directors:

Dr. Cheng Kar-Shun, Henry, *GBM GBS (Chairman)*

Dr. Cheng Chi-Kong, Adrian, *JP*

(Executive Vice-chairman and Chief Executive Officer)

Mr. Cheng Chi-Heng

Ms. Cheng Chi-Man, Sonia

Mr. Sitt Nam-Hoi

Ms. Huang Shaomei, Echo

Ms. Chiu Wai-Han, Jenny

Registered Office:

30th Floor,

New World Tower,

16-18 Queen's Road Central,

Hong Kong

Non-executive Directors:

Mr. Doo Wai-Hoi, William, *JP*

(Non-executive Vice-chairman)

Mr. Cheng Kar-Shing, Peter

Independent Non-executive Directors:

Mr. Yeung Ping-Leung, Howard

Mr. Ho Hau-Hay, Hamilton

Mr. Lee Luen-Wai, John, *BBS JP*

Mr. Liang Cheung-Biu, Thomas

Mr. Ip Yuk-Keung, Albert

Mr. Chan Johnson Ow

25 October 2021

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

Dear Sir or Madam,

**PROPOSALS INVOLVING
GENERAL MANDATES TO BUY BACK SHARES AND
TO ISSUE SHARES,
MANDATE TO GRANT OPTIONS,
RE-ELECTION OF RETIRING DIRECTORS AND
APPROVAL OF NEW SHARE OPTION SCHEME OF
NWS HOLDINGS LIMITED
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this document is to provide you with information, and to seek your approval for the proposals involving general mandates to allot, issue and deal with Shares

LETTER FROM THE CHAIRMAN

and to buy back Shares, mandate to grant options under the Share Option Scheme, re-election of retiring Directors and approval of the NWS New Share Option Scheme at the Annual General Meeting.

2. GENERAL MANDATE TO BUY BACK SHARES

At the annual general meeting of the Company held on 26 November 2020, a general mandate was given to the Directors to exercise the powers of the Company to buy back Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. The Directors propose to seek your approval of the Buy-back Resolution to be proposed at the Annual General Meeting. An explanatory statement as required under the Share Buy-back Rules to provide the requisite information of the Buy-back Proposal is set out in Appendix I hereto.

3. GENERAL MANDATE TO ISSUE SHARES

The Company is committed to balancing the potential need for capital while ensuring that Shareholders are not subject to excessive dilution. As a step in towards this objective, taking into consideration of the potential excessive dilution effect, the Board has decided to propose at the Annual General Meeting an ordinary resolution granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 10% (instead of 20% as permitted under the Listing Rules) of the issued Shares of the Company at the date of the resolution at a discount of not more than 15% (instead of 20% as permitted under the Listing Rules) to the “benchmarked price” (as described in Rules 13.36(5) of the Listing Rules). The Board also decided not to propose the extension of the mandate to issue Shares by the addition thereto the Shares bought back under the Buy-back Proposal at the Annual General Meeting. While the above mandate provides the Company the requisite flexibility to raise additional capital if needed, the decision to reduce the number and the discount of issue price of Shares under the general mandate and not extend the mandate to issue Shares will significantly reduce potential for dilution for existing Shareholders.

4. MANDATE TO GRANT OPTIONS

The Company has a Share Option Scheme which was approved by the Shareholders on 22 November 2016 under which the Directors may grant to any participants of the Share Option Scheme options to subscribe for Shares, subject to the terms and conditions stipulated therein. As at the Latest Practicable Date, the total number of options available for grant under the Share Option Scheme was 212,260,411, representing rights to subscribe for 212,260,411 Shares, amounting to approximately 8.43% of the total number of issued Shares as at the Latest Practicable Date.

Under section 140 of the Companies Ordinance, the directors of a company must not, without shareholders’ prior approval in general meeting, allot new shares or grant rights to subscribe for, or to convert any security into shares of the company. At the annual general meeting of the Company held on 26 November 2020, an unconditional mandate was given to the Directors to grant share options under the Share Option Scheme. As such mandate will expire on conclusion of the Annual General Meeting, an ordinary resolution

LETTER FROM THE CHAIRMAN

will also be proposed at the Annual General Meeting to grant to the Directors an unconditional mandate to grant share options under the Share Option Scheme.

5. RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Article 103(A) of the Articles of Association, Mr. Yeung Ping-Leung, Howard, Mr. Ho Hau-Hay, Hamilton, Mr. Cheng Chi-Heng, Mr. Sitt Nam-Hoi and Mr. Ip Yuk-Keung, Albert shall retire from office and being eligible, offer themselves for re-election at the Annual General Meeting.

Pursuant to Article 94 of the Articles of Association, Mr. Chan Johnson Ow shall retire from office and being eligible, offer himself for re-election at the Annual General Meeting.

The nomination committee of the Company had assessed and reviewed the written confirmation of independence of Mr. Yeung Ping-Leung, Howard, Mr. Ho Hau-Hay, Hamilton, Mr. Ip Yuk-Keung, Albert and Mr. Chan Johnson Ow and considered that they satisfied all the independence criteria as set out in Rule 3.13 of the Listing Rules.

As Mr. Yeung Ping-Leung, Howard and Mr. Ho Hau-Hay, Hamilton have served more than 9 years, their re-election will be subject to separate resolution to be approved by the Shareholders. As Independent Non-executive Directors with in-depth understanding of the Company's operations and business, they have expressed objective views and given independent guidance to the Company over the years, and they continue demonstrating a firm commitment to their role. The nomination committee considers that the long service of Mr. Yeung Ping-Leung, Howard and Mr. Ho Hau-Hay, Hamilton would not affect their exercise of independent judgment and is satisfied that they have the required character, integrity and experience to continue fulfilling the role of Independent Non-executive Directors.

The nomination committee is of the view that each of Mr. Yeung Ping-Leung, Howard, Mr. Ho Hau-Hay, Hamilton, Mr. Ip Yuk-Keung, Albert and Mr. Chan Johnson Ow is beneficial to the Board with diversity of his comprehensive business experience that contributes to invaluable expertise, continuity and stability to the Board. The nomination committee believes that they will continue to contribute effectively to the Board.

Having regard to the board diversity policy and nomination policy adopted by the Company, the nomination committee recommended re-election of the aforesaid retiring Directors to the Board. Accordingly, the Board has proposed that each of the above retiring Directors, namely Mr. Yeung Ping-Leung, Howard, Mr. Ho Hau-Hay, Hamilton, Mr. Cheng Chi-Heng, Mr. Sitt Nam-Hoi, Mr. Ip Yuk-Keung, Albert and Mr. Chan Johnson Ow stands for re-election as Director by way of separate resolution at the Annual General Meeting.

Details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II hereto.

LETTER FROM THE CHAIRMAN

6. APPROVAL OF THE NWS NEW SHARE OPTION SCHEME

At the Annual General Meeting, an Ordinary Resolution will also be proposed for the Company to approve the NWS New Share Option Scheme. A summary of the principal terms of the NWS New Share Option Scheme is set out in Appendix III to this circular.

The NWS Existing Share Option Scheme which was adopted by the shareholders of NWS on 21 November 2011 shall expire on 21 November 2021. The NWS New Share Option Scheme was proposed so that options may be granted to the eligible participants pursuant to the terms thereof. As at the Latest Practicable Date, there was no outstanding option under the NWS Existing Share Option Scheme that has been granted but yet to be exercised.

The rules of the NWS New Share Option Scheme provide that NWS may specify the eligible participant to whom options shall be granted, the number of NWS 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 NWS New Share Option Scheme. The board of directors of NWS considers that the aforesaid criteria and rules will serve to preserve the value of NWS and encourage the eligible participants to acquire proprietary interests in NWS.

An eligible participant is a person who is any director (including any executive director, non-executive director or independent non-executive director) and employee (whether full time or part time) of NWS, any subsidiary or member of the NWS Group.

Notwithstanding that, generally speaking, no performance target may be required, NWS will consider all relevant matters, including but not limited to the following matters, in carefully selecting the eligible participants to whom grants will be made and in determining the number of options to be granted to such eligible participants.

NWS will assess, among others, the responsibilities of eligible participants and contributions made or likely to be made by such persons in representing the NWS Group's interest and in fostering the business development, financial performance and other areas concerning the business, operation, reputation and sustainable development of the NWS Group.

Amongst other forms of potential measures to provide incentives to the eligible participants, given that the grants of options require the payment of exercise price that reflects the fair market value of the new NWS Shares that would be subscribed upon the exercise of the granted options, the board of directors of NWS believes that the NWS New Share Option Scheme is one of the desirable incentive plans as the grantees will be incentivised to provide valuable contributions to the NWS Group and work with the NWS Group to increase the overall value and performance of the NWS Group, which is expected to translate into share price performance of the NWS Shares.

LETTER FROM THE CHAIRMAN

Considering the purpose of the NWS New Share Option Scheme, the terms of the NWS New Share Option Scheme (in particular that the terms are consistent with those prescribed under Chapter 17 of the Listing Rules), and that relevant matters will be considered by NWS in carefully selecting the eligible participants to whom grants will be made and in determining the number of options to be granted to such eligible participants, the board of directors of NWS is of the view that any grant of options to the selected eligible participants would be fair and reasonable and in the interest of NWS and its shareholders as a whole.

As at the Latest Practicable Date, there were an aggregate of 3,911,137,849 NWS Shares in issue. Assuming no NWS Shares will be issued or repurchased from the Latest Practicable Date to the date of the NWS Annual General Meeting on which the NWS New Share Option Scheme is expected to be conditionally approved and adopted by the shareholders of NWS, the maximum number of NWS Shares that can be issued upon exercise of the options that may be granted under the NWS New Share Option Scheme and any other scheme(s) is 391,113,784, representing 10% of the NWS Shares in issue. As at the Latest Practicable Date, no discussion has been carried out in the board of directors of NWS nor the remuneration committee of NWS relating to the granting of any option to the eligible participants. The board of directors of NWS will consider, among other factors, the timing, performance of the individuals and entities as well as performance of NWS when granting options under the NWS New Share Option Scheme as and when it becomes effective and will comply with the Listing Rules upon such grants.

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

The board of directors of NWS 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 of directors of NWS 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 of NWS.

The NWS New Share Option Scheme is conditional upon, among other things, the Shareholders passing a resolution at the Annual General Meeting to approve the adoption of the NWS New Share Option Scheme by NWS.

7. ANNUAL GENERAL MEETING

This year, the Company will conduct a hybrid Annual General Meeting with the combination of in-room meeting and virtual meeting using the Tricor e-Meeting System which allows Shareholders to participate the Annual General Meeting online in a convenient and efficient way from anywhere with an internet connection. Shareholders will be able to view the live video broadcast of the Annual General Meeting and participate in voting and submit questions online via their mobile phones, tablet, or computers. The live broadcast option can also broaden the reach of the Annual General

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Meeting to Shareholders who do not wish to attend physically due to concerns on attending large scale events under the current COVID-19 situation, or for other overseas Shareholders who are unable to attend in person physically.

Shareholders can refer to the notice of the Annual General Meeting and the Online Meeting User Guide (by scanning the QR code provided on the Notification Letter) in relation to attending the Annual General Meeting by electronic means.

Set out on pages 36 to 43 of this document is the notice convening the Annual General Meeting to be held at Meeting Room N201 (Expo Drive Entrance), Level 2, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Tuesday, 23 November 2021 at 11:45 a.m.

At the Annual General Meeting, resolutions will be proposed to the Shareholders in respect of ordinary businesses to be considered at the Annual General Meeting, including the re-election of the retiring Directors, and special businesses to be considered at the Annual General Meeting, being the ordinary resolutions proposed to approve the general mandates to buy back Shares and to issue new Shares, the mandate to grant options under the Share Option Scheme and approval of the NWS New Share Option Scheme.

8. ACTION TO BE TAKEN

A proxy form 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 submit your proxy appointment electronically or complete the proxy form and return it to the Company's share registrar, Tricor Tengis Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours (excluding a public holiday) before the time appointed for holding the Annual General Meeting (i.e. not later than Saturday, 20 November 2021 at 11:45 a.m.) or any adjournment thereof (as the case may be). Completion and return of a proxy form will not prevent Shareholders from attending and voting (whether physically or by mean of electronic facilities) at the Annual General Meeting if they so wish.

In the case of appointment of proxies submitted in electronic form, the proxy forms must be electronically submitted via Tricor e-Meeting System not less than 48 hours (excluding a public holiday) before the time appointed for the holding of the meeting (i.e. not later than Saturday, 20 November 2021 at 11:45 a.m.) or any adjournment thereof (as the case may be) by scanning the QR code provided on the Notification Letter or visiting the designated URL (<https://spot-meeting.tricor.hk/#/17>). Please use the username and password provided on the Notification Letter.

If your proxy (except when the chairman of the meeting is appointed as proxy) wishes to attend the Annual General Meeting and vote online, you must provide a valid email address of your proxy to the Company's share registrar, Tricor Tengis Limited, by calling its hotline at (852) 2975 0928 by 5:00 p.m. on 18 November 2021 for the necessary arrangements. If no email address is provided, your proxy cannot attend the Annual General Meeting and vote online. The email address so provided will be used by the Company's share registrar, Tricor Tengis Limited, for providing the login details for

LETTER FROM THE CHAIRMAN

attending and voting at the Annual General Meeting via Tricor e-Meeting System. If your proxy has not received the login details by email by 11:45 a.m. on Monday, 22 November 2021, you should contact the Company's share registrar, Tricor Tengis Limited, hotline at (852) 2975 0928 for the necessary arrangements.

For corporate Shareholders who wish to (1) appoint proxy electronically to attend and vote at the Annual General Meeting on their behalf or (2) appoint the corporate representative to attend the Annual General Meeting and to vote online, please contact the Company's share registrar, Tricor Tengis Limited, hotline at (852) 2975 0928 by 5:00 p.m. on 18 November 2021 for the necessary arrangements (including the activation of the password provided on the Notification Letter).

For the beneficial owners whose Shares are held through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited would like to attend the Annual General Meeting in person physically or online, they should consult directly with their banks or brokers or custodians (as the case may be) for the necessary arrangements.

9. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the Annual General Meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

10. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the NWS New Share Option Scheme is available for inspection at the Annual General Meeting. It can also be downloaded from the Company's website (www.nwd.com.hk) or the HKExnews' website (www.hkexnews.hk) not less than 14 days before the date of the Annual General Meeting.

11. DIRECTORS' RESPONSIBILITY

This document, 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 document 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 document misleading.

LETTER FROM THE CHAIRMAN

12. RECOMMENDATION

The Directors believe that the Buy-back Proposal, the proposed general mandate for Directors to issue new Shares, the proposed mandate to grant options under the Share Option Scheme, the proposed re-election of the retiring Directors and the proposal for approval of the NWS New Share Option Scheme are all in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of
New World Development Company Limited
(新世界發展有限公司)
Dr. Cheng Kar-Shun, Henry
Chairman

This appendix serves as an 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 Buy-back Proposal.

This appendix also constitutes the memorandum required under Section 239(2) of the Companies Ordinance.

1. ISSUED SHARES

As at the Latest Practicable Date, the issued Shares of the Company comprised 2,516,633,171 Shares.

Subject to the passing of the Buy-back Resolution and on the basis that no further Shares are issued or bought back and/or cancelled prior to the Annual General Meeting, the Company would be allowed under the Buy-back Resolution to buy back a maximum of 251,663,317 Shares representing not more than 10% of the issued Shares of the Company at the Latest Practicable Date.

2. REASONS FOR BUY-BACK

The Directors believe that the Buy-back Proposal is in the best interests of the Company and its Shareholders. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to 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 a buy-back will benefit the Company and its Shareholders.

3. FUNDING OF BUY-BACK

In buy-back of any Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association and the Companies Ordinance. The Companies Ordinance provides that the payment in respect of a Share buy-back may be made out of the distributable profits of the Company and/or proceeds of a new issue of Shares made for the purpose of the buy-back.

There might be an 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 2021 in the event that the power to buy back Shares pursuant to the Buy-back Proposal was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the power to buy-back Shares pursuant to the Buy-back Proposal 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.

4. 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 Latest Practicable Date are as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
October 2020	39.35	36.65
November 2020	42.50	36.00
December 2020	39.45	35.65
January 2021	37.80	35.65
February 2021	41.60	34.70
March 2021	41.30	37.25
April 2021	43.00	39.65
May 2021	42.45	39.90
June 2021	42.80	39.85
July 2021	40.85	36.20
August 2021	37.80	36.25
September 2021	36.85	30.10
October 2021 (up to the Latest Practicable Date)	35.20	31.45

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy-backs pursuant to the Buy-back Resolution and in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, their close associates, have any present intention to sell any Shares to the Company under the Buy-back Proposal if such is approved by the Shareholders.

No other core connected persons of the Company (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Buy-back Proposal is approved by the Shareholders.

6. TAKEOVERS CODE

If on the exercise of the power to buy back Shares pursuant to the Buy-back Proposal, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited, indirectly through its subsidiaries, is deemed to have interest in 1,135,908,609 Shares representing approximately 45.14% of the issued Shares of the Company. In the event the Directors exercised in full the power to buy back Shares pursuant to the Buy-back Proposal, then (if the present shareholding remains the same) the deemed interest of each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited would be increased to approximately 50.15% of the issued Shares of the Company.

In the event that the Buy-back Proposal is exercised in full, an obligation to make a general offer to Shareholders under Rules 26 and 32 of the Takeovers Code may arise. The Directors have no present intention to exercise the power to buy back Shares pursuant to the Buy-back Proposal to such an extent as to result in takeover obligations. In the event that the Buy-back Proposal is exercised in full, the number of Shares held by the public would not fall below 25%.

7. SHARE BUY-BACKS MADE BY THE COMPANY

The Company bought back a total of 26,016,000 Shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date, details of which are as follows:

Date of buy-back	No. of Shares bought back	Price paid per Share	
		Highest HK\$	Lowest HK\$
9 July 2021	3,000,000	37.65	37.10
13 July 2021	1,000,000	37.35	37.05
14 July 2021	1,000,000	37.10	36.90
20 July 2021	5,000	37.00	37.00
21 July 2021	331,000	37.00	37.00
27 July 2021	2,283,000	37.00	36.25
28 July 2021	1,661,000	37.00	36.70
29 July 2021	675,000	37.00	36.90
30 July 2021	2,000,000	36.95	36.70
2 August 2021	267,000	37.00	36.95
3 August 2021	1,500,000	37.15	36.80
4 August 2021	721,000	37.20	37.00
5 August 2021	794,000	37.00	36.95
6 August 2021	1,000,000	37.20	36.95
9 August 2021	303,000	37.20	37.05
10 August 2021	1,492,000	37.00	36.65
11 August 2021	500,000	37.15	37.15
12 August 2021	500,000	37.30	37.30
17 August 2021	500,000	37.30	37.30
18 August 2021	500,000	37.30	37.30
19 August 2021	734,000	37.00	36.90
20 August 2021	1,300,000	37.00	36.75
23 August 2021	282,000	37.00	37.00
24 August 2021	964,000	37.00	36.75
25 August 2021	699,000	37.05	36.90
26 August 2021	1,100,000	37.00	36.85
27 August 2021	405,000	37.00	37.00
30 August 2021	500,000	36.75	36.75
Total:	<u>26,016,000</u>		

Save as disclosed above, the Company had not bought back any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION
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Mr. Yeung Ping-Leung, Howard

Aged 64, was appointed as Director in November 1985 and became an Independent Non-executive Director in 1999. Mr. Yeung is a member of the Audit Committee and the Remuneration Committee of the Board. He is also an independent non-executive director of Miramar Hotel and Investment Company, Limited and SJM Holdings Limited, both being listed public companies in Hong Kong. Except as disclosed, Mr. Yeung did not hold directorship in other listed public companies in the past three years or any position with the Company or other members of the Group.

Mr. Yeung entered into a letter of appointment with the Company for a further fixed term of three years commencing from 16 March 2021, subject to retirement by rotation in accordance with the Articles of Association. His emoluments comprise a Director's fee to be reviewed and determined by the Board annually with the authorisation granted by the Shareholders at an annual general meeting of the Company and with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market condition. For the financial year ended 30 June 2021, his emoluments comprise Director's fee and allowance of HK\$677,000 from the Company.

Mr. Yeung 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. Yeung has personal interest in 133,444 Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Yeung is not aware of any other matters or information that need to be brought to the attention of the Shareholders or to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules in connection with his re-election.

Mr. Ho Hau-Hay, Hamilton

Aged 70, was appointed as a Non-executive Director in August 2004 and was re-designated as Independent Non-executive Director in November 2007. Mr. Ho was an Alternate Director of the Company from 7 January 2004 to 29 August 2004. Mr. Ho is the chairman of the Remuneration Committee and a member of the Audit Committee of the Board. He is also an independent non-executive director of King Fook Holdings Limited (a listed public company in Hong Kong), and an executive director of Honorway Investments Limited and Tak Hung (Holding) Company Limited. Except as disclosed, Mr. Ho did not hold directorship in other listed public companies in the past three years or any position with the Company or other members of the Group.

Mr. Ho entered into a letter of appointment with the Company for a further fixed term of three years commencing from 16 March 2021, subject to retirement by rotation in accordance with the Articles of Association. His emoluments comprise a Director's fee to be reviewed and determined by the Board annually with the authorisation granted by the Shareholders at an annual general meeting of the Company and with reference to his duties and responsibilities with the Company, the Company's performance and the

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION
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prevailing market condition. For the financial year ended 30 June 2021, his emoluments comprise Director's fee and allowance of HK\$734,000 from the Company.

Mr. Ho 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. Ho has corporate interest in 219,588 Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Ho is not aware of any other matters or information that need to be brought to the attention of the Shareholders or to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules in connection with his re-election.

Mr. Cheng Chi-Heng

Aged 44, was appointed as an Executive Director in June 2010. Mr. Cheng is a member of the Executive Committee of the Board. He also acts as director of certain subsidiaries of the Group. Mr. Cheng is an executive director of Chow Tai Fook Jewellery Group Limited, a listed public company in Hong Kong. Except as disclosed, Mr. Cheng did not hold directorship in other listed public companies in the past three years or any position with the Company or other members of the Group.

Mr. Cheng worked in Yu Ming Investment Management Limited from 1999 to 2000 as a corporate finance executive. He obtained his Bachelor of Arts Degree majoring in Economics from the University of Western Ontario, Canada in 1999.

Mr. Cheng entered into a letter of appointment with the Company for a further fixed term of three years commencing from 16 March 2021, subject to retirement by rotation in accordance with the Articles of Association. His emoluments comprise a Director's fee to be reviewed and determined by the Board annually with the authorisation granted by the Shareholders at an annual general meeting of the Company and with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market condition. For the financial year ended 30 June 2021, his emoluments comprise Director's fee and allowance of HK\$391,000 and other emoluments of HK\$1,924,846.10 from the Company.

Mr. Cheng is a director of Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, both are substantial shareholders of the Company. He is the son of Mr. Cheng Kar-Shing, Peter, the nephew of Dr. Cheng Kar-Shun, Henry and Mr. Doo Wai-Hoi, William, and the cousin of Dr. Cheng Chi-Kong, Adrian and Ms. Cheng Chi-Man, Sonia. Except as disclosed, Mr. Cheng 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. Cheng has personal interest in 133,444 Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Cheng is not aware of any other matters or information that need to be brought to the attention of the Shareholders or to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules in connection with his re-election.

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION
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Mr. Sitt Nam-Hoi

Aged 67, was appointed as an Executive Director in June 2018. Mr. Sitt is a member of the Executive Committee and the Sustainability Committee of the Board. Mr. Sitt joined the Group and was appointed as Head of Projects (Hong Kong) of the Company in February 2011. He is currently the senior director of the Project Management Department of the Company, design adviser of New World China Land Limited and director of certain subsidiaries of the Group. Before joining the Company, he was the project director of a listed public company in Hong Kong which he worked for over 25 years. Before that, Mr. Sitt had been working in Buildings Department of the Government of the Hong Kong Special Administrative Region. Except as disclosed, Mr. Sitt did not hold directorship in other listed public companies in the past three years or any position with the Company or other members of the Group.

Mr. Sitt obtained his Bachelor of Architecture and Bachelor of Arts in Architectural Studies from the University of Hong Kong. He is a Registered Architect, an Authorised Person and is responsible for overseeing all project management matters for all property development projects of the Group in Hong Kong. He has extensive project management experience and participated in various significant projects in the Mainland and Hong Kong.

Mr. Sitt entered into a letter of appointment with the Company for a further fixed term of three years commencing from 1 June 2021, subject to retirement by rotation in accordance with the Articles of Association. His emoluments comprise a Director's fee to be reviewed and determined by the Board annually with the authorisation granted by the Shareholders at an annual general meeting of the Company and with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market condition. For the financial year ended 30 June 2021, his emoluments comprise Director's fee and allowance of HK\$481,000 and other emoluments of HK\$15,632,122.40 from the Group.

Mr. Sitt 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. Sitt has personal interest in 150,000 underlying shares of the Company attached to the share options granted by the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Sitt is not aware of any other matters or information that need to be brought to the attention of the Shareholders or to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules in connection with his re-election.

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION
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Mr. Ip Yuk-Keung, Albert

Aged 69, was appointed as Independent Non-executive Director in June 2018. Mr. Ip is a member of the Audit Committee, the Nomination Committee and the Sustainability Committee of the Board. Mr. Ip is an independent non-executive director of Power Assets Holdings Limited, Lifestyle International Holdings Limited and Hutchison Telecommunications Hong Kong Holdings Limited, all being listed public companies in Hong Kong. He is also an independent non-executive of Eagle Asset Management (CP) Limited, as manager of Champion Real Estate Investment Trust (a listed real estate investment trust). He was the executive director and chief executive officer of LHIL Manager Limited which is the trustee-manager of Langham Hospitality Investments (a listed fixed single investment trust) and Langham Hospitality Investments Limited until his resignation on 1 April 2019. In addition, he was an independent non-executive director of Hopewell Holdings Limited (a listed public company in Hong Kong until its delisting on 3 May 2019) and TOM Group Limited (a listed public company in Hong Kong) up to his resignation in May 2019 and August 2020 respectively. Except as disclosed, Mr. Ip did not hold directorship in other listed public companies in the past three years or any position with the Company or other members of the Group.

Mr. Ip is an international banking and real estate executive with 33 years of experience at Citigroup, First National Bank of Chicago, Wells Fargo and Merrill Lynch in Hong Kong, Asia and the United States. His areas of expertise are in real estate, corporate banking, risk management, transaction banking and wealth management. Mr. Ip is an Adjunct Professor of City University of Hong Kong, The Hong Kong University of Science and Technology, The University of Hong Kong, The Hang Seng University of Hong Kong and the School of Hotel and Tourism Management at The Chinese University of Hong Kong, an Adjunct Distinguished Professor in Practice of University of Macau, a Council Member of The Hong Kong University of Science and Technology, Honorary Advisor of School of Humanities and Social Science at The Hong Kong University of Science and Technology, a trustee of the Board of Trustees at Washington University in St. Louis, and Chairman of the Board of Governors of World Green Organisation. Mr. Ip holds a Bachelor of Science degree at Washington University in St. Louis (*summa cum laude*) and Master of Science degrees at Cornell University and Carnegie-Mellon University. He is an Honorary Fellow of City University of Hong Kong and Vocational Training Council.

Mr. Ip entered into a letter of appointment with the Company for a further fixed term of three years commencing from 1 June 2021, subject to retirement by rotation in accordance with the Articles of Association. His emoluments comprise a Director's fee to be reviewed and determined by the Board annually with the authorisation granted by the Shareholders at an annual general meeting of the Company and with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market condition. For the financial year ended 30 June 2021, his emoluments comprise Director's fee and allowance of HK\$738,000 from the Company.

Mr. Ip 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. Ip has personal interest in 150,000 underlying Shares attached to the share options granted by the Company within the meaning of Part XV of the SFO.

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION
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Save as disclosed above, Mr. Ip is not aware of any other matters or information that need to be brought to the attention of the Shareholders or to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules in connection with his re-election.

Mr. Chan Johnson Ow

Aged 56, was appointed as an Independent Non-executive Director in September 2021. Mr. Chan is a member of the Audit Committee and Sustainability Committee of the Board. Mr. Chan is a managing director of Key Step Capital Limited. He is also a consultant to a leading global alternative investment management firm. He has over 28 years of experience in investment banking and investments at Morgan Stanley, Lehman Brothers, SSG Capital Management (now known as ARES SSG) and Deutsche Bank AG. Mr. Chan holds a Bachelor of Arts Degree in Legal Studies from University of California, Berkeley. Except as disclosed, Mr. Chan did not hold directorship in other listed public companies in the past three years or any position with the Company or other members of the Group.

Mr. Chan entered into a letter of appointment with the Company for a fixed term of three years commencing from 10 September 2021, subject to retirement by rotation in accordance with the Articles of Association. His emoluments comprise a Director's fee to be reviewed and determined by the Board annually with the authorisation granted by the Shareholders at an annual general meeting of the Company and with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market condition.

Mr. Chan 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. Chan does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Chan is not aware of any other matters or information that need to be brought to the attention of the Shareholders or to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules in connection with his re-election.

The following is a summary of the principal terms of the NWS New Share Option Scheme to be 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 NWS New Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the NWS New Share Option Scheme:

1. PURPOSE OF THE NWS NEW SHARE OPTION SCHEME

The primary purpose of the NWS New Share Option Scheme is designed primarily as a means of rewarding performance, providing incentive, motivation or reward to eligible participants for optimizing their performance or making contribution to the NWS Group; attracting and retaining persons of right calibre with the necessary experience to work for or make contribution to the NWS Group; and fostering a sense of corporate identity and sharing common interests and objectives with the NWS Group allowing the eligible participants to enjoy the results of NWS attained through their relationship, efforts and/or contribution.

2. DURATION AND ADMINISTRATION OF THE NWS NEW SHARE OPTION SCHEME

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

The NWS New Share Option Scheme shall be subject to the administration of the directors of NWS whose decision as to all matters arising in relation to the NWS New Share Option Scheme or its interpretation or effect shall be final, conclusive and binding on all parties.

Subject to compliance with the requirements of the Listing Rules and the provisions of the NWS New Share Option Scheme, the directors of NWS shall have the right in their absolute discretion to:

- (i) interpret and construe the provisions of the NWS New Share Option Scheme;
- (ii) determine the persons who will be granted options under the NWS New Share Option Scheme;
- (iii) make such appropriate and equitable adjustments to the terms of options granted under the NWS New Share Option Scheme as it deems necessary; and
- (iv) make such other decisions, determinations or regulations as it shall deem appropriate in the administration of the NWS New Share Option Scheme.

The directors of NWS may also provide restrictions on the exercise of an option during the period an option may be exercised.

The administration and operation of the NWS New Share Option Scheme shall be subject to the compliance of the requirements under the Listing Rules and laws and regulations that are applicable to NWS and/or the NWS New Share Option Scheme.

3. WHO MAY JOIN

Any person being an eligible participant may, at the discretion of the directors of NWS, be offered the options under the NWS New Share Option Scheme to subscribe for such number of new NWS Shares as the board of directors of NWS may determine at the exercise price calculated in accordance with paragraph 5 below. An eligible participant is a person who is any director (including any executive director, non-executive director or independent non-executive director) and employee (whether full time or part time) of NWS, any subsidiary or member of the NWS Group.

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

4. PERFORMANCE TARGET

Unless the directors of NWS otherwise determined and stated in the terms of offer for the grant of the options pursuant to the NWS New Share Option Scheme, 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 NWS Share payable on exercise of an option shall be at least higher than or the highest of: (i) the closing price of the NWS 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 NWS 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 NWS Share. The exercise price is subject to adjustment in the circumstances stated in paragraph 15(a) of this Appendix.

6. LIMIT ON NUMBER OF NWS SHARES THAT CAN BE ISSUED

(a) Outstanding options limit

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

(b) Renewable 10% limit

The total number of NWS Shares which may be issued upon exercise of all options to be granted under the NWS New Share Option Scheme and any other share option schemes must not in aggregate exceed 10% of the ordinary share capital of NWS in issue as at the date of adoption of the NWS New Share Option Scheme (the "10% Limit"), unless otherwise permitted by the Listing Rules or NWS obtains the requisite approvals to refresh the 10% Limit in accordance with the Listing Rules and terms of the NWS New Share Option Scheme. Options lapsed in accordance with the terms of the NWS New Share Option Scheme and any other share option schemes will not be counted for the purpose of calculating the 10% Limit.

(c) Approval for renewal of the 10% Limit

NWS may seek approval by its shareholders in general meeting (and other approval(s), such as approval by the shareholders of the Company, as required under the Listing Rules) for "refreshing" the 10% Limit under the NWS New Share Option Scheme and any other share option schemes. However, the total number of NWS Shares which may be issued upon exercise of all options to be granted under the NWS New Share Option Scheme and any other share option schemes under the limit as "refreshed" must not exceed 10% of the ordinary share capital of NWS in issue as at the date of approval of the "refreshed" limit. Options previously granted under the NWS New Share Option Scheme and any other share option schemes, including those outstanding, cancelled, lapsed or exercised options in accordance with the NWS New Share Option Scheme and any other share option schemes will not be counted for the purpose of calculating the limit as "refreshed". For the purpose of the general meeting of NWS, NWS shall send a circular to its shareholders in accordance with the requirements under the Listing Rules.

(d) Specific approval for excess grant

NWS may seek separate approval by its shareholders in general meeting (and other approval(s), such as approval by the shareholders of the Company, as required under the Listing Rules) granting options beyond the 10% Limit provided the options in excess of the limit are granted only to eligible participants specifically identified by NWS before such approval is sought. NWS must send a circular to its shareholders containing a generic description of the specified participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified eligible participants with an explanation as to how the terms of the options serve such purpose.

7. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

Unless approved by the shareholders of NWS in general meeting and other approval(s), such as approval by the shareholders of the Company, as required under the Listing Rules are obtained, and subject to the terms of the NWS New Share Option Scheme, the total number of NWS 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 ordinary share capital of NWS in issue.

Where any further grant of options to an eligible participant would result in the NWS 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 ordinary share capital of NWS in issue, such further grant must be separately approved by the shareholders of NWS in general meeting with that eligible participant and his close associates (or his associates if the eligible participant is a connected person) abstaining from voting and must obtain other approval(s), such as approval by the shareholders of the Company, as required under the Listing Rules. In such event, for the purpose of the general meeting of NWS, NWS must send a circular to its shareholders and the circular must disclose the identity of such eligible participant, the number and terms of the options to be granted (and options previously granted to such eligible participant). The number and terms (including the exercise price) of options to be granted to such eligible participant must be fixed before approval of the shareholders of NWS and the date of board meeting of NWS for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price.

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

Notwithstanding any provision in the bye-laws of NWS, each grant of options to a director, chief executive or substantial shareholder of NWS, or any of their respective associates must be approved by the independent non-executive directors of NWS (excluding any independent non-executive director of NWS who or whose associate is the proposed grantee of the option) and, where required by the Listing Rules, the independent non-executive directors of the Company.

(b) Grant to independent non-executive director of NWS

Notwithstanding any provision in the bye-laws of NWS, any grant of options to an independent non-executive director of NWS who is the grantee of the options must abstain from voting for approving such grant and that the consent for giving such grant from the other independent non-executive director(s) of NWS under the resolution of the directors of NWS must also be obtained.

(c) Limit on grants within 12 months

Where any grant of options to a substantial shareholder or an independent non-executive director of NWS, or any of their respective associates, will result in the NWS 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) represent in aggregate over 0.1% of the total number of NWS Shares in issue at the date of such grant; and
- (ii) have an aggregate value, based on the closing price of the NWS 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 of NWS in general meeting and must obtain other approval(s) as required under the Listing Rules. In such case, NWS shall send a circular to its shareholders. The grantee, his associates and all core connected persons (each as defined in the Listing Rules) of NWS 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 general meeting of NWS to approve the grant of options must be taken on a poll. The circular must contain:

- (1) 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 of NWS and the date of board meeting of NWS for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price;
- (2) a recommendation from the independent non-executive directors of NWS (excluding independent non-executive director of NWS who is the grantee of the options) to the independent shareholders of NWS as to voting;
- (3) the information required under Rules 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (4) 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 or an independent non-executive director of NWS, or any of their respective associates must be approved by the shareholders of NWS in general meeting.

9. PROCEDURES FOR ACCEPTANCE OF OPTIONS

An offer of the grant of an option shall be made to an eligible participant by letter in such form as the directors of NWS may from time to time determine and shall be open for acceptance in writing received by the secretary or the directors of NWS at the principal place of business of NWS for the time being in Hong Kong for 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 NWS 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 assignable nor transferable, and no option holder shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any party over or in relation to any option or attempt to do so (save that the option holder may have the NWS Shares to be issued on the exercise of his option to be registered in the name of a nominee holding in trust for him). Any breach of the foregoing shall entitle NWS to cancel any outstanding option, or any part thereof, granted to such option holder. NWS will maintain a register of option holders and should any person, other than a registered option holder (or his wholly-owned company, if registered as such, or his personal representative, if applicable) seek to exercise an option, NWS will not treat such exercise to be valid or effective.

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 NWS Shares as shall be granted as the directors of NWS shall determine and notify to the option holder.

Unless otherwise determined by the directors of NWS and stated in the terms of the grant in respect of the options, there is no minimum period required under the NWS 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 NWS Shares on the Stock Exchange or an integral multiples thereof by giving written notice to NWS stating that the option is thereby exercised and the number of NWS Shares in respect of which the option is exercised. Unless otherwise agreed between NWS and the option holder (or the option holder's representative, as the case may be), NWS shall issue the relevant NWS 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 of NWS under the grant.

(b) On cessation of being an eligible participant

If an option holder, being an eligible participant, ceases to be an eligible participant under any of the following circumstances:

(i) On ill-health, disability, death or retirement of an eligible participant (all evidenced to the satisfaction of the directors of NWS)

in the event that the employment of an eligible participant is terminated by reason of ill-health, disability (all evidenced to the satisfaction of the directors of NWS), death or retirement in accordance with the retirement policy of the relevant member of the NWS Group, or as adopted by NWS from time to time (if any), he or (as the case may be) his personal representative(s) may exercise all his options (to the extent which has become exercisable and not already exercised) within a period being the earlier of six months after the termination of employment or the expiration of the relevant option period. Any option not so exercised shall lapse and determine at the end of the said period;

(ii) On voluntary termination by an eligible participant

in the event that the employment of an eligible participant is terminated by him voluntarily for reasons other than ill-health, disability, death or retirement in accordance with the retirement policy of the relevant member of the NWS Group or as adopted by NWS from time to time (if any), all his options shall lapse and determine on the 30th day following the date of such termination of employment;

(iii) On cessation of an eligible participant's employing company being a member of the NWS Group

in the event that the eligible participant's employing company ceases to be a member of the NWS Group, (aa) options granted to such eligible participant, to the extent vested at the time his employing company ceases to be a member of the NWS Group, shall be exercisable within a period being the earlier of six months after his employing company ceasing to be a member of the NWS Group or the expiration of the relevant option period; and (bb) options granted to such eligible participant, to the extent not vested at the

time of his employing company ceases to be a member of the NWS Group, shall lapse upon his employing company ceases to be a member of the NWS Group;

(iv) On transfer of employment to affiliated company

in the event that the employment of an eligible participant is terminated by reason of his transfer of employment to an affiliate company (including NWS's holding companies and their subsidiaries, jointly controlled entities and associated companies) (each an "Affiliated Company"), (aa) options granted to such eligible participant, 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 six months after his said transfer of employment or the expiration of the relevant option period; and (bb) options granted to such eligible participant, 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 participant is terminated by reason of the eligible participant's misconduct justifying summary dismissal (i.e. termination without notice or payment in lieu of notice), all outstanding options granted to such eligible participant shall lapse upon the termination of employment;

(vi) Termination other than for cause

in the event that the eligible participant ceases to be an eligible participant 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 participant, to the extent vested at the time of termination of employment, shall lapse on the earlier of the 30th day after the termination of employment or the expiration of the relevant option period; and (bb) options granted to such eligible participant, 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 of NWS may in their absolute discretion otherwise determine and/or may impose such conditions or limitations as the directors of NWS 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 participant, all options held by such option holder (to the extent not already exercised) shall forthwith lapse if the directors of NWS shall at any time in their absolute discretion determine that (i) such option holder or his associate has committed any breach of any contract entered into between such option holder or his associate on the one part and any member of the NWS Group on the other part or that 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 (ii) all options held by that option holder shall lapse. A resolution of the directors of NWS to the effect that any event herein stated leading to the lapse of options has occurred shall be conclusive.

(d) On takeover offers

If, in consequence of any general offer made to the shareholders of NWS or otherwise, any person shall have obtained control (as defined in the Takeovers Code or applicable laws) of NWS, then the directors of NWS shall as soon as practicable thereafter notify every option holder accordingly and each option holder shall be entitled at any time within the period of six months after such control has been obtained to exercise any option in whole or in part, and to the extent that it has not been so exercised, any option shall upon the expiry of such period cease and determine provided that if, during such period, such person becomes entitled to exercise rights of compulsory acquisition of NWS Shares pursuant to Section 102 or 103 of the Companies Act 1981 of Bermuda (as amended from time to time) and gives notice in writing to any shareholders of NWS that he intends to exercise such rights, the options shall remain exercisable until 14 days from the date of such notice and, to the extent that they have not been exercised, shall thereupon cease and determine or such person could provide for cancellation of all options and payment of an appropriate see-through price as determined based on the Takeovers Code and applicable laws and by reference to the exercise price and the offer price under such general offer.

(e) On liquidation

If under Section 99 of the Companies Act 1981 of Bermuda (as amended from time to time) a scheme of arrangement is proposed between NWS and its shareholders, NWS shall give notice thereof to all option holders on the same date as it despatches the notice which is sent to each shareholder of NWS convening the meeting to consider the scheme of arrangement, and thereupon each option holder may forthwith and until the expiry of 14 days from such date be entitled to exercise his option, but such exercise shall be conditional upon the scheme of arrangement being sanctioned by the Court and becoming effective. Upon the scheme of arrangement becoming effective, all options shall lapse. The NWS Shares issued pursuant to the exercise of options may be subject to such a scheme of arrangement

or NWS may thereafter require each option holder to transfer or otherwise deal with the NWS Shares issued as a result of the exercise of options in these circumstances so as to place the option holder in the same position as nearly as may be as would have been the case had such NWS Shares been subject to such scheme of arrangement.

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 shareholders of NWS.

The directors of NWS may also, at any time in their absolute discretion, cancel any option granted but not exercised. Where the directors of NWS cancel any options and make an offer of the grant of new options to the same option holder, the offer may only be made with available unissued options (to the extent not yet granted and excluding the cancelled options) within the limit approved by the shareholders of NWS as mentioned in the NWS New Share Option Scheme.

14. RANKING OF NWS SHARES

The NWS Shares to be allotted upon the exercise of an option will be subject to all the provisions of the Bye-laws of NWS for the time being in force and will rank *pari passu* in all respects with the fully paid NWS Shares in issue on the date the name of the option holder is registered in the register of members of NWS, in particular but without prejudice to the generality of the foregoing, in respect of voting, transfer, and other rights including those arising on a liquidation of NWS and rights in respect of any dividend or other distribution paid or made on or after the date when the name of the option holder is entered into the register of members of NWS other than any dividend or distribution to be paid or made if the record date therefor shall be before the date the name of the option holder is registered in the register of members. If however, the date of exercise of the option falls on a date upon when the register of members is closed then the exercise of the option shall become effective on the first business date in Hong Kong on which the register of members of NWS 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 NWS 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 NWS (other than an issue of NWS Shares as consideration in respect of a transaction to which NWS 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 of NWS (having received a confirmation in writing from the auditors or an independent financial adviser to NWS (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, except in the case of a capitalization issue where no such confirmation from the auditors or an independent financial adviser to NWS (as the case may be) shall be required unless otherwise expressly required by the directors of NWS) may deem appropriate provided always that:

- (1) no increase shall be made in the aggregate subscription price relating to any option;
- (2) the proportion of the issued share capital of NWS 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;
- (3) no adjustments shall be made which will enable a NWS Share to be issued at less than its nominal value;
- (4) 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;
- (5) no adjustments shall be made in the event of an issue of NWS Shares as consideration in respect of a transaction to which NWS is a party; and
- (6) no adjustments to the exercise price or number of shares should be made to the advantage of the eligible participants without specific prior approval of the shareholders of NWS.

(b) Notice of adjustment

Notice of any such adjustment shall be given to the option holders by NWS, which may, but need not, call in option certificates for endorsement or replacement. The costs of the auditor or the independent financial adviser to NWS (as the case may be) shall be borne by NWS.

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

Any alterations to the terms and conditions of the NWS New Share Option Scheme which are of a material nature shall be approved by the shareholders of NWS and the Company, except where the alterations take effect automatically under the existing terms of the NWS New Share Option Scheme.

Save with the prior approval of the shareholders of NWS in general meeting and the obtaining of other approval(s), such as approval by the shareholders of the Company, as required under the Listing Rules, no alteration shall be made to (i) the provisions relating to the matters contained in Chapter 17 of the Listing Rules; (ii) the authority of the directors of NWS or the administrators of the NWS New Share Option Scheme in relation to any alteration to the terms of the NWS 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 participants. Subject to the aforesaid, the directors of NWS may from time to time in their absolute discretion waive or amend such of the rules of the NWS New Share Option Scheme as they deem desirable by resolution of the directors of NWS.

No amendments to the NWS New Share Option Scheme shall be made which would have the effect of materially abrogating or altering materially and adversely any of the subsisting rights of option holders with respect to options granted except with the consent on their part.

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

17. TERMINATION OF NWS NEW SHARE OPTION SCHEME

NWS by resolution in general meeting may terminate the NWS 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 NWS 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 NWS New Share Option Scheme and options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the NWS New Share Option Scheme.



新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of New World Development Company Limited (新世界發展有限公司) (the “Company”) will be held at Meeting Room N201 (Expo Drive Entrance), Level 2, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Tuesday, 23 November 2021 at 11:45 a.m. for the following purposes:

1. To consider and adopt the audited Financial Statements and the Reports of the Directors and the Independent Auditor for the year ended 30 June 2021.
2. To declare a final dividend.
3. To re-elect Directors and authorise the Board of Directors to fix their remuneration, including:
 - (a) to re-elect Mr. Yeung Ping-Leung, Howard as Director;
 - (b) to re-elect Mr. Ho Hau-Hay, Hamilton as Director;
 - (c) to re-elect Mr. Cheng Chi-Heng as Director;
 - (d) to re-elect Mr. Sitt Nam-Hoi as Director;
 - (e) to re-elect Mr. Ip Yuk-Keung, Albert as Director;
 - (f) to re-elect Mr. Chan Johnson Ow as Director; and
 - (g) to authorise the Board of Directors to fix the remuneration of the Directors.
4. To re-appoint Messrs. PricewaterhouseCoopers as Auditor and authorise the Board of Directors to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

5. As special business to consider and, if thought fit, pass with or without modifications, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back shares of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in connection with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company which the Directors of the Company is authorised to buy back pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of the issued shares of the Company as at the date of passing this resolution, provided that if any subsequent consolidation or subdivision of shares of the Company is effected, the maximum number of shares of the Company that may be bought back under the mandate in paragraph (a) above as a percentage of the total number of issued shares of the Company at the date immediately before and after such consolidation or subdivision shall be the same and such maximum number of shares shall be adjusted accordingly; and
- (c) for the purposes of this resolution,

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. As special business to consider and, if thought fit, pass with or without modifications, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (c) below and pursuant to Sections 140 and 141 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power to issue shares of the Company be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power to issue shares of the Company after the end of the Relevant Period;
- (c) the total number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time; (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iv) an issue of shares upon conversion by the bondholders of their bonds into shares of the Company in accordance with the terms and conditions of an issue of convertible guaranteed bonds by the Company or a special purpose subsidiary wholly owned by the Company, shall not exceed 10% of the total number of the issued shares of the Company as at the date of passing this resolution, provided that if any subsequent consolidation or subdivision of shares of the Company is effected, the maximum number of shares of the Company that may be issued and allotted under the mandate in paragraph (a) above as a percentage of the total number of issued shares of the Company at the date immediately before and after such consolidation or subdivision shall be the same and such maximum number of shares shall be adjusted accordingly;

NOTICE OF ANNUAL GENERAL MEETING

- (d) any shares of the Company to be allotted and issued (whether wholly or partly for cash or otherwise) pursuant to the mandate in the above paragraphs of this resolution shall not be at a discount of more than 15% to the Benchmarked Price (as hereinafter defined) of such shares of the Company; and
- (e) for the purpose of this resolution,

“Benchmarked Price” means the price which is the higher of:

- (i) the closing price of the shares of the Company as quoted on The Stock Exchange of Hong Kong Limited on the date of the agreement involving the relevant proposed issue of shares of the Company; and
- (ii) the average closing price as quoted on The Stock Exchange of Hong Kong Limited of the shares of the Company for the five trading days immediately preceding the earliest of:
 - (A) the date of announcement of the transaction or arrangement involving the relevant proposed issue of shares of the Company;
 - (B) the date of the agreement involving the relevant proposed issue of shares of the Company; and
 - (C) the date on which the price of shares of the Company that are proposed to be issued is fixed;

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or

NOTICE OF ANNUAL GENERAL MEETING

expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

7. As special business to consider and, if thought fit, pass with or without modifications, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“THAT:

- (a) subject to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the terms and conditions of the share option scheme adopted by the shareholders of the Company on 22 November 2016 (the “Share Option Scheme”), a mandate be and is hereby unconditionally given to the Directors of the Company to exercise during the Relevant Period (as defined in paragraph (c) below) all the powers of the Company to grant options to subscribe for shares of the Company and/or to make or grant offers of options under the Share Option Scheme that would or might require shares of the Company to be allotted and/or options to be granted under the Share Option Scheme;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to grant options and/or make offers of options under the Share Option Scheme which would or might require shares of the Company to be allotted and/or options to be granted under the Share Option Scheme after the end of the Relevant Period;
- (c) for the purpose of this resolution,
- “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

8. As special business to consider and, if thought fit, pass with or without modifications, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“THAT the new share option scheme of NWS Holdings Limited, a non-wholly owned subsidiary of the Company, the rules of which are contained in the document marked “A” and produced to the meeting and for the purpose of identification signed by the Chairman thereof, be and is hereby approved.”

By Order of the Board
Wong Man-Hoi
Company Secretary

Hong Kong, 25 October 2021

Notes:

1. **Hybrid Annual General Meeting**

This year, the Company will conduct a hybrid Annual General Meeting with the combination of in-room meeting and virtual meeting using the Tricor e-Meeting System which allows shareholders to participate the Annual General Meeting online in a convenient and efficient way from anywhere with an internet connection. Shareholders will be able to view the live video broadcast of the Annual General Meeting and participate in voting and submit questions online via their mobile phones, tablet, or computers. The live broadcast option can also broaden the reach of the Annual General Meeting to shareholders who do not wish to attend physically due to concerns on attending large scale events under the current COVID-19 situation, or for other overseas shareholders who are unable to attend in person physically.

How to attend and vote?

Shareholders who wish to attend the Annual General Meeting and exercise their voting rights can be achieved in one of the following ways:

- (1) attend the Annual General Meeting in person physically and vote at the Annual General Meeting venue; OR
- (2) attend the Annual General Meeting via an online platform, namely, the Tricor e-Meeting System which enables live streaming and interactive platform for Q&A and submission of their votes online; OR
- (3) appoint the chairman of the Annual General Meeting or other persons as their proxies to vote on their behalf (whether physically or via Tricor e-Meeting System).

Your proxy’s authority and instruction will be revoked if you attend and vote in person physically at the Annual General Meeting or via the Tricor e-Meeting System.

For the beneficial owners whose shares of the Company are held through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited would like to attend the Annual General Meeting in person physically or online, they should consult directly with their banks or brokers or custodians (as the case may be) for the necessary arrangements.

NOTICE OF ANNUAL GENERAL MEETING

For corporate shareholders who wish to (1) appoint proxy electronically to attend and vote at the Annual General Meeting on their behalf or (2) appoint the corporate representative to attend the Annual General Meeting and to vote online, please contact the Company's share registrar, Tricor Tengis Limited, hotline at (852) 2975 0928 by 5:00 p.m. on 18 November 2021 for the necessary arrangements (including the activation of the password provided on the notification letter sent to the shareholders by the Company on 25 October 2021 (the "Notification Letter")).

2. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
3. To be valid, a proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the Company's share registrar, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours (excluding a public holiday) before the time appointed for holding the meeting (i.e. not later than Saturday, 20 November 2021 at 11:45 a.m.) or any adjournment thereof (as the case may be).

In the case of appointment of proxies submitted in electronic form, the proxy forms must be electronically submitted via Tricor e-Meeting System not less than 48 hours (excluding a public holiday) before the time appointed for the holding of the meeting (i.e. not later than Saturday, 20 November 2021 at 11:45 a.m.) or any adjournment thereof (as the case may be) by scanning the QR code provided on the Notification Letter or visiting the designated URL (<https://spot-meeting.tricor.hk/#/17>). Please use the username and password provided on the Notification Letter.

If your proxy (except when the chairman of the meeting is appointed as proxy) wishes to attend the Annual General Meeting and vote online, you must provide a valid email address of your proxy to the Company's share registrar, Tricor Tengis Limited, by calling its hotline at (852) 2975 0928 by 5:00 p.m. on 18 November 2021 for the necessary arrangements. If no email address is provided, your proxy cannot attend the Annual General Meeting and vote online. The email address so provided will be used by the Company's share registrar, Tricor Tengis Limited, for providing the login details for attending and voting at the Annual General Meeting via Tricor e-Meeting System. If your proxy has not received the login details by email by 11:45 a.m. on Monday, 22 November 2021, you should contact the Company's share registrar, Tricor Tengis Limited, hotline at (852) 2975 0928 for the necessary arrangements.

4. The register of members of the Company will be closed from Tuesday, 16 November 2021 to Tuesday, 23 November 2021, both days inclusive, during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the Annual General Meeting, all share transfers accompanied by the relevant share certificates, must be lodged with the Company's share registrar, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 15 November 2021.
5. If a tropical cyclone warning signal no. 8 or above is in force in Hong Kong at any time between 7:45 a.m. to 11:45 a.m. on Tuesday, 23 November 2021, the Annual General Meeting will not be held on that day but will be automatically postponed. The Company will publish an announcement on its website and on the website of the Stock Exchange to notify members of the Company of the date, time and location of the rescheduled meeting.
6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
7. As at the date of this notice, the Board of Directors of the Company comprises (a) seven executive directors, namely Dr. Cheng Kar-Shun, Henry, Dr. Cheng Chi-Kong, Adrian, Mr. Cheng Chi-Heng, Ms. Cheng Chi-Man, Sonia, Mr. Sitt Nam-Hoi, Ms. Huang Shaomei, Echo and Ms. Chiu Wai-Han, Jenny; (b) two non-executive directors, namely, Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter; and (c) six independent non-executive directors, namely Mr. Yeung Ping-Leung, Howard, Mr. Ho Hau-Hay, Hamilton, Mr. Lee Luen-Wai, John, Mr. Liang Cheung-Biu, Thomas, Mr. Ip Yuk-Keung, Albert and Mr. Chan Johnson Ow.

NOTICE OF ANNUAL GENERAL MEETING

PRECAUTIONARY MEASURES FOR PHYSICAL ATTENDANCE AT THE ANNUAL GENERAL MEETING

Please refer to page 3 of the circular of the Company dated 25 October 2021 for the measures being taken to prevent and control the spread of the COVID-19 at the Annual General Meeting, including but not limited to:

- (1) Compulsory body temperature check
- (2) Compulsory wearing of surgical face mask
- (3) Maintaining a safe distance between seats
- (4) No provision of refreshments or beverages
- (5) No distribution of coupons for subsequent consumption

Any person who does not comply with the precautionary measures will be denied entry into or be required to leave the Annual General Meeting venue.

In light of the continuing risks posed by the COVID-19 and as part of the Company's control measures to safeguard the health and safety of the Shareholders, the Company strongly encourages the Shareholders to exercise their right to vote at the Annual General Meeting online or by appointing the chairman of the Annual General Meeting as their proxies and to return their proxy forms by the time specified above, instead of attending the Annual General Meeting in person physically.