

IMPORTANT

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THE WHARF (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

STOCK CODE: 4

Directors:

Mr. Peter K. C. Woo, GBS, JP (*Chairman*)
Mr. Gonzaga W. J. Li (*Senior Deputy Chairman*)
Mr. Stephen T. H. Ng (*Deputy Chairman & Managing Director*)

Mr. Paul M. P. Chan*
Professor Edward K. Y. Chen, GBS, CBE, JP*
Dr. Raymond K. F. Ch'ien, GBS, CBE, JP*
Mr. Erik B. Christensen
Hon. Vincent K. Fang, JP*
Mr. Hans Michael Jebsen, BBS*
Ms. Doreen Y. F. Lee
Mr. T. Y. Ng
Mr. James E. Thompson, GBS*

Registered Office:

16th Floor, Ocean Centre,
Harbour City, Canton Road,
Kowloon,
Hong Kong

25th April, 2006

(* Independent Non-executive Directors)

To the Shareholders

Dear Sir or Madam,

ANNUAL GENERAL MEETING GENERAL MANDATES ETC.

1. At the Annual General Meeting of The Wharf (Holdings) Limited (the "Company"; together with its subsidiaries, the "Group") held on 18th May, 2005, ordinary resolutions were passed giving general mandates to directors of the Company (the "Directors") (i) to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") of up to 10 per cent. of the issued share capital of the Company as at 18th May, 2005; and (ii) to allot, issue and otherwise deal with shares up to a limit equal to (a) 20 per cent. of the shares of the Company in issue as at 18th May, 2005, plus (b) (authorised by a separate ordinary resolution as required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) the nominal amount of any shares repurchased by the Company.

2. Pursuant to the Companies Ordinance and the Listing Rules, these general mandates will lapse at the conclusion of the Annual General Meeting ("AGM") for 2006, unless renewed at that meeting. Resolutions will be proposed at the AGM to renew these mandates, and the Explanatory Statement required by the Listing Rules to be sent to shareholders in connection with the proposed repurchase mandate is set out in the Appendix to this document.

3. Four Directors of the Company, namely, Mr. Peter K. C. Woo, Mr. Stephen T. H. Ng, Ms. Doreen Y. F. Lee and Mr. Hans Michael Jebsen (the "Retiring Directors"), are due to retire from the board of Directors and proposed to be re-elected at the AGM. They do not have any fixed term of service with the Company. Therefore, after their re-election at the forthcoming AGM, they will continue to be Directors of the Company for an unspecified term but will be subject to retirement from the Company's Board at annual general meetings of the Company once every two or three years and may offer themselves for re-election. Save as disclosed below: (i) so far as the Directors are aware, as at 18th April, 2006 (being the latest practicable date for determining the relevant information), none of the Retiring Directors has any interest (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) in the securities of the Company; (ii) none of the Retiring Directors holds, or in the past three years held, any directorship in any listed public company; and (iii) none of the Directors has any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company. There is no information which is discloseable nor is/was any of the four Directors involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. There is no other matter which needs to be brought to the attention of the shareholders of the Company in relation to the proposed re-election of the Retiring Directors.

Set out below are certain additional information relating to the four Directors proposed to be re-elected at the AGM:

Mr. Peter Kwong Ching WOO, GBS, JP, aged 59, has resumed the role of Chairman since 2002 after having formerly served as Chairman of the Company from 1986 to 1994. He also serves as the Chairman of the Company's Remuneration Committee. He is also the chairman and a substantial shareholder of Wheelock and Company Limited ("Wheelock") which is the controlling shareholder of the Company.

Mr. Woo was appointed a Justice of the Peace in 1993 and awarded the Gold Bauhinia Star in 1998 by the Hong Kong SAR Government. He has for many years been actively engaged in community and related services, both locally and in the international arena, and has held various Government appointments. He has been the Government-appointed chairman of the Hong Kong Trade Development Council since October 2000 and had served as the chairman of Hospital Authority from 1995 to 2000 and the council chairman of Hong Kong Polytechnic University from 1993 to 1997. He is currently the chairman of the Hong Kong Environment and Conservation Fund Committee set up in 1994 which he co-funded with the Government. He also served as a deputy chairman in 1991 to Prince of Wales Business Leaders Forum, and as a member of the International Advisory Council of JPMorgan Chase & Co., National Westminster Bank, Banca Nazionale del Lavoro, Elf Aquitaine of France and General Electric of America. He has received Honorary Doctorates from various universities in the USA, Australia and Hong Kong.

He is also a director of certain subsidiaries of the Company. Mr. Woo, as Chairman of the Company, is receiving from the Company a Chairman's fee at such rate as from time to time approved by Shareholders, currently being HK\$90,000 per annum. Furthermore, he also receives from the Group an emolument, inclusive of basic salary, various allowances etc., of approximately HK\$9.5 million per annum. In addition, a discretionary bonus is normally payable to Mr. Woo with the amount of such bonus to be fixed unilaterally by the employer in each year. The amount of the emolument payable to Mr. Woo is determined by reference to the level and/or range of remuneration package normally granted by employers in Hong Kong to a senior executive of comparable calibre and job responsibilities. Such emolument is determined by the Company as a reasonable amount.

Mr. Stephen Tin Hoi NG, aged 53, joined the Company in 1981 and became Managing Director in 1989. He has been a director, deputy chairman, president and chief executive officer of i-CABLE Communications Limited since 1999 and became its chairman since 2001. He is also the deputy chairman of Wheelock, a director of Joyce Boutique Holdings Limited and the chairman, president and chief executive officer of Wharf T&T Limited. He serves as a member of the General Committee of The Hong Kong General Chamber of Commerce.

So far as the Directors are aware, as at 18th April, 2006 (being the latest practicable date for determining the relevant information), Mr. Ng had interests (within the meaning of Part XV of the SFO) in 650,057 shares of the Company. Mr. Ng is receiving from the Company a Director's fee at such rate as from time to time approved by Shareholders, currently being HK\$50,000 per annum, and also receiving from the Group an emolument, inclusive of basic salary, various allowances etc., of a total amount of about HK\$3.9 million per annum. In addition, a discretionary bonus is normally payable to Mr. Ng with the amount of such bonus to be fixed unilaterally by the employer in each year. The amount of the emolument payable to Mr. Ng is determined by reference to the level and/or range of remuneration package normally granted by employers in Hong Kong to a senior executive of comparable calibre and job responsibilities. Such emolument is determined by the Company as a reasonable amount.

Ms. Doreen Yuk Fong LEE, aged 49, joined the Company in 1984 and has been a Director of the Company since 2003. She was appointed as the managing director of Wharf Estates Limited and Wharf Estates China Limited in 2005. She is also an executive director of Harbour City Estates Limited and Times Square Limited. Ms. Lee is a graduate of The University of Hong Kong where she obtained her bachelor's degree in Arts (Hon).

Ms. Lee is receiving from the Company a Director's fee at such rate as from time to time approved by Shareholders, currently being HK\$50,000 per annum, and also receiving from the Group an emolument, inclusive of basic salary, various allowances etc., of a total amount of about HK\$3.2 million per annum. In addition, a discretionary bonus is normally payable to Ms. Lee with the amount of such bonus to be fixed unilaterally by the employer in each year. The amount of the emolument payable to Ms. Lee is determined by reference to the level and/or range of remuneration package normally granted by employers in Hong Kong to a senior executive of comparable calibre and job responsibilities. Such emolument is determined by the Company as a reasonable amount.

Mr. Hans Michael JEBSEN, BBS, aged 49, has been an independent Non-executive Director of the Company since 2001. He also serves as a member of the Company's Audit Committee and Remuneration Committee. He is the chairman of Jebsen and Company Limited and also a non-executive director of Hysan Development Company Limited as well as a Board Member of Danfoss A/S, Denmark. He currently holds a number of public offices, namely, the vice-president and a trustee of World Wide Fund for Nature Hong Kong, the chairman of the Friend's Committee of the Asian Cultural Council Hong Kong, a Board Member of the Asian Cultural Council Board of Trustees, affiliate of the Rockefeller Brothers Fund, New York, an honorary fellow and an appointed court member of the Hong Kong University of Science and Technology, as well as a member of the Council for Sustainable Development, Hong Kong European Union Business Co-operation Committee of the Hong Kong Trade Development Council, Advisory Council of Asia Society Hong Kong Center, Asian Cultural Council Board of Trustees and Advisory Board of the Hong Kong Red Cross. He also is an Honorary Citizen and Municipal Economic Advisor as well as a Committee Member of the CPPCC Jilin City, China.

Mr. Jebsen is receiving from the Company a Director's fee and an Audit Committee member's fee at such rates as from time to time approved by Shareholders, currently being HK\$50,000 and HK\$15,000 per annum respectively. He has no service contract with the Group and therefore he receives no emolument from the Group other than the abovementioned Director's and Audit Committee member's fees.

4. Pursuant to the Articles of Association, subject to the Companies Ordinance, a poll may be demanded in relation to any resolution put to the vote of the AGM before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll:
 - (a) by the Chairman of the meeting; or
 - (b) by at least five members present in person or by proxy for the time being entitled to vote at the meeting; or
 - (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

- (d) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
5. Notice of the AGM is set out on pages 8 to 10 of this document. A form of proxy for use at the AGM is enclosed. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the registered office of the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the holding of the AGM. Completion of the form of proxy and its return to the Company will not preclude you from attending, and voting at, the AGM if you so wish.
6. The Directors believe that the general mandates are in the interests of the Company and its shareholders. Accordingly, the Directors recommend you to vote in favour of all the relevant resolutions to be proposed at the AGM.

Yours faithfully,
Peter K. C. Woo
Chairman

APPENDIX

EXPLANATORY STATEMENT

The following is the Explanatory Statement required to be sent to shareholders under the Listing Rules in connection with the proposed general mandate for repurchase of shares and also constitutes the Memorandum required under section 49BA of the Companies Ordinance. References in this Statement to "Share(s)" mean ordinary share(s) of HK\$1.00 each in the capital of the Company:

- (i) It is proposed that the general repurchase mandate will authorise the repurchase by the Company of up to 10 per cent. of the Shares in issue at the date of passing the resolution to approve the general repurchase mandate. As at 18th April, 2006, being the latest practicable date for determining such figure, the number of Shares in issue was 2,447,741,629 Shares. On the basis of such figure (and assuming no new Shares will be issued or repurchased after 18th April, 2006 and up to the date of passing such resolution), exercise in full of the general repurchase mandate would result in the repurchase by the Company of up to 244,774,162 Shares.
- (ii) The Directors believe that the general authority from shareholders to enable repurchase of Shares is in the interests of the Company and its shareholders. Repurchases may, depending on the circumstances, result in an increase in net assets and/or earnings per Share. The Directors are seeking the grant of a general mandate to repurchase Shares to give the Company the flexibility to do so if and when appropriate. The number(s) of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.
- (iii) The funds required for any repurchase would be derived from the distributable profits of the Company legally available for such purpose in accordance with the Company's constitutive documents and the laws of Hong Kong.
- (iv) There could be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent audited accounts for the year ended 31st December, 2005 being forwarded to all shareholders together with this circular letter) in the event that the general repurchase mandate were exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the general repurchase mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing level which in the opinion of the Directors is from time to time appropriate for the Company.
- (v) There are no Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any associates (as defined in the Listing Rules) of the Directors of the Company who have a present intention, in the event that the general repurchase mandate is granted by shareholders, to sell Shares to the Company.

- (vi) The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the general repurchase mandate in accordance with the Listing Rules and the laws of Hong Kong.
- (vii) The Directors are not aware of any consequences which would arise under the Hong Kong Code on Takeovers and Mergers (the "Takeover Code") as a consequence of any purchases pursuant to the general repurchase mandate. However, if as a result of a repurchase of Shares a shareholder's proportionate interest in the voting rights of the Company increases, such increase would be treated as an acquisition for the purposes of the Takeover Code. Accordingly, 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 Rule 26 of the Takeover Code.
- (viii) No purchase has been made by the Company of Shares in the six months prior to the latest practicable date before the printing of this document.
- (ix) No connected persons (as defined in the Listing Rules) of the Company have notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell Shares to the Company in the event that the general repurchase mandate is granted by shareholders.
- (x) The highest and lowest prices at which Shares were traded on the Stock Exchange in each of the previous twelve months are as follows:

	Highest (HK\$)	Lowest (HK\$)
April 2005	26.00	24.10
May 2005	26.45	24.70
June 2005	27.45	24.95
July 2005	30.35	26.60
August 2005	29.75	27.10
September 2005	30.95	28.75
October 2005	30.25	25.60
November 2005	28.15	25.95
December 2005	28.10	26.10
January 2006	30.00	27.10
February 2006	30.00	27.75
March 2006	29.95	27.75
From 1st April, 2006 to 18th April, 2006, being the latest practicable date	29.55	28.55

THE WHARF (HOLDINGS) LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of The Wharf (Holdings) Limited will be held in the Centenary Room, Ground Floor, The Marco Polo Hongkong Hotel, 3 Canton Road, Kowloon, Hong Kong, on Monday, 29th May, 2006 at 11:00 a.m. for the purpose of transacting the following business:

As ordinary business:

- (1) To receive and consider the Statement of Accounts and the Reports of the Directors and Auditors for the year ended 31st December, 2005.
- (2) To declare a Final Dividend for the year ended 31st December, 2005.
- (3) To re-elect retiring Directors.
- (4) To appoint Auditors and authorise the Directors to fix their remuneration.

And as special business, to consider and, if thought fit, to pass with or without modification the following resolutions as ordinary resolutions:

- (5) **"THAT:**
 - (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to purchase shares in the capital of the Company be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of shares which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly; and
 - (c) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:
 - (aa) the conclusion of the next Annual General Meeting of the Company;
 - (bb) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and
 - (cc) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting."

(6) **"THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) any executive or employee share option or incentive scheme, or (ii) a Rights Issue, or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution; plus
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution),

and the said approval shall be limited accordingly; and

- (d) for the purposes of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

- (aa) the conclusion of the next Annual General Meeting of the Company;
- (bb) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and
- (cc) the revocation or variation of the approval given under this Resolution by ordinary resolution of the shareholders in general meeting; and

"Rights Issue" means an offer of shares, or an offer of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the Company or by the Directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company may

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

- (7) **"THAT** the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and deal with any additional shares of the Company pursuant to ordinary resolution (6) set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution (5) set out in the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution."

By Order of the Board
Wilson W. S. Chan
Secretary

Hong Kong, 25th April, 2006

Registered Office:

16th Floor, Ocean Centre,
Harbour City, Canton Road,
Kowloon,
Hong Kong

Notes:

- (a) *A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or two proxies to attend and, in the event of a poll, to vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of that power of attorney or authority) must be deposited at the Company's registered office at 16th Floor, Ocean Centre, Harbour City, Canton Road, Kowloon, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting.*
- (b) *With reference to the Ordinary Resolution proposed under item (6) above, the Directors wish to state that they have no immediate plans to issue any new shares of the Company pursuant to the mandate to be given thereunder, other than under the executive share incentive scheme from time to time adopted by the Company.*
- (c) *The Register of Members will be closed from Monday, 22nd May, 2006 to Monday, 29th May, 2006, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to qualify for the abovementioned Final Dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrars, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 19th May, 2006.*
- (d) *Arrangements will be made for the voting of each of the resolutions being put to the meeting to be dealt with by means of poll vote.*