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

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

**If you have sold or transferred** all your shares in Wah Ha Realty Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

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**華厦置業有限公司**  
WAH HA REALTY COMPANY LIMITED

## **WAH HA REALTY COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 278)**

### **PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES, AND PROPOSED RE-ELECTION OF RETIRING DIRECTORS AT THE ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Wah Ha Realty Company Limited (the "Company") to be held at Room 2500, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong Kong on Friday, 24th August 2007 at 12:00 noon (the "2007 AGM") (the "Notice") is set out on pages 7 to 9 of the 2006/2007 annual report (the "2007 Annual Report") of the Company. Whether or not you intend to attend the 2007 AGM, you are requested to complete the accompanied form of proxy in accordance with the instructions printed thereon and return the same to the Company's registered office, Room 2500, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the 2007 AGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2007 AGM or at any adjourned meeting should you so wish.

This circular contains all the information required pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") to be given to the shareholders of the Company (the "Shareholders").

27th July 2007

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## LETTER FROM THE CHAIRMAN

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華 厦 置 業 有 限 公 司  
WAH HA REALTY COMPANY LIMITED

# WAH HA REALTY COMPANY LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 278)**

**Executive Directors:**

Mr. Cheung Kee Wee (*Chairman*)  
Mr. Cheung Lin Wee  
Mr. Cheung Ying Wai, Eric

**Registered Office:**

Room 2500, Dominion Centre,  
43-59 Queen's Road East,  
Wanchai, Hong Kong

**Non-executive Directors:**

Mr. John Ho  
Mr. Ng Kwok Tung

**Independent Non-executive Directors:**

Mr. Lam Hon Keung, Keith  
Mr. Chan Woon Kong  
Mr. Soo Hung Leung, Lincoln

Dear Shareholder(s),

**PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES  
AND REPURCHASE SHARES,  
AND PROPOSED RE-ELECTION OF RETIRING DIRECTORS  
AT THE 2007 AGM**

**INTRODUCTION**

At the annual general meeting of the Company held on 25th August 2006, a general mandate was given to the directors of the Company (the "Directors") to exercise the power of the Company to repurchase its own shares. Such general mandate will lapse at the conclusion of the 2007 AGM unless it is renewed at that Meeting.

The purpose of this circular is to provide you with information regarding the ordinary resolutions to be proposed at the 2007 AGM relating to (i) the granting of general mandates to the Directors for the issue and repurchase fully-paid up ordinary shares of HK\$0.65 each of the Company (the "Share(s)") and (ii) the proposed re-election of Directors who are due to retire at the 2007 AGM.

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## LETTER FROM THE CHAIRMAN

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### **PROPOSED GENERAL MANDATE TO ISSUE SHARES**

Resolution No. 5(B) as set out in the Notice (“Resolution 5(B)”) will be proposed as an ordinary resolution to grant a general and unconditional mandate to the Directors to allot, issue and deal with new Shares representing up to 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing the resolution. In addition, subject to the passing of resolution no. 5(A) as set out in the Notice (“Resolution 5(A)”), resolution 5(C) as set out in the Notice (“Resolution 5(C)”) will be proposed as an ordinary resolution to extend the authority of the Directors to allot, issue and deal with additional Shares representing the number of Shares repurchased under the repurchase mandate as hereinafter mentioned.

The Directors wish to state that they have no present intention to allot, issue or deal with any new Shares. Approval is being sought from the Shareholders as a general mandate for the purposes of Section 57B of the Companies Ordinance and the Listing Rules.

### **PROPOSED GENERAL MANDATE TO REPURCHASE SHARES**

At the 2007 AGM, Resolution 5(A) will be proposed as an ordinary resolution pursuant to which the Directors will be granted a general and unconditional mandate to exercise all the powers of the Company to repurchase issued and fully-paid Shares on the Stock Exchange not exceeding 10 per cent of the aggregate nominal amount of the issued share capital of the Company at the date of passing the resolution (the “Repurchase Mandate”) subject to the criteria set out in the resolution.

Shareholders should note that the authority relates only to repurchases made on the Stock Exchange and otherwise in accordance with the Listing Rules. In addition, Shareholders should also note that the general mandate will continue in force until 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 the Companies Ordinance to be held; and (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

An explanatory statement, as required by the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange, to provide requisite information to you for your consideration of the proposed Repurchase Mandate is set out in **APPENDIX I** to this circular.

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## LETTER FROM THE CHAIRMAN

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### **PROPOSED RE-ELECTION OF RETIRING DIRECTORS AT THE 2007 AGM**

In accordance with Article 103(A) of the Company's Articles of Association, Mr. Cheung Kee Wee, Mr. John Ho and Mr. Lam Hon Keung, Keith will retire by rotation at the 2007 AGM and they, being eligible, offer themselves for re-election.

Details of the above Directors which are required to be disclosed by the Listing Rules are set out in **APPENDIX II** to this circular.

### **RIGHT TO DEMAND A POLL**

The ordinary resolutions mentioned above are set out in the Notice. Your right to demand a poll on the proposed resolutions at the 2007 AGM is set out in **APPENDIX III** to this circular.

### **PROXY FORM**

Proxy form for use at the 2007 AGM is enclosed herewith. The proxy forms can also be downloaded from the Company's website at <http://www.wahha.com> under "Investor Relations". Whether or not you are able to attend the 2007 AGM, you are requested to complete, sign and return the enclosed proxy forms in accordance with the instructions printed thereon to the Company's registered office at Room 2500, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the 2007 AGM or any adjournment thereof. Completion and return of the proxy forms will not preclude you from attending and voting at the 2007 AGM or any adjournment thereof should you so wish.

### **RECOMMENDATION**

The Directors consider that the ordinary resolutions as set out in the Notice are all in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend you to vote in favour of such resolutions at the 2007 AGM.

Yours faithfully,  
**Cheung Kee Wee**  
*Chairman*

27th July 2007

*This Appendix serves as an explanatory statement which contains all the information required pursuant to the Listing Rules.*

## **1. SHARE CAPITAL**

As at 24th July 2007, being the latest practicable date prior to the printing of this circular (the “Latest Practicable Date”), the issued share capital of the Company comprised 120,960,000 Shares.

Subject to the passing of Resolution 5(A) approving the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased by the Company prior to the 2007 AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 12,096,000 fully-paid up Shares, representing 10% of the issued share capital of the Company.

## **2. REASONS FOR REPURCHASE**

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

## **3. SOURCES OF FUNDS**

Repurchases would be financed entirely from the Company’s funds legally available for the purpose in accordance with the applicable laws of the Hong Kong Special Administrative Region (the “HKSAR”) and the Memorandum and Articles of Association of the Company, being distributable profit of the Company and/or the proceeds of a fresh issue of Shares made for the purpose of the repurchases. It is envisaged that the funds required for any repurchase would be derived from such sources.

**4. WORKING CAPITAL OR GEARING**

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the Company's audited financial statements for the year ended 31st March 2007 in the 2007 Annual Report) in the event that the Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company, unless circumstances justify the share repurchase.

**5. DIRECTORS AND THEIR ASSOCIATES**

None of the Directors, to the best of their knowledge and belief having made all reasonable enquiries, nor any of their associates (as defined under the Listing Rules), has any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

**6. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to Repurchase Mandate in accordance with the Listing Rules, all applicable laws of the HKSAR, and the regulations set out in the Memorandum and Articles of Association of the Company.

**7. CONNECTED PERSONS**

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Company is authorized to make repurchases of Shares.

**8. EFFECTS OF TAKEOVERS CODE**

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, 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 Hong Kong Code on Takeovers and Mergers ("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 Rules 26 and 32 of the Takeover Code.

As at the Latest Practicable Date, Mr. Cheung Kung Hai, deceased (the "Deceased") remained a registered shareholder of the Company holding 87,391,440 shares (the "Deceased's Shares"), representing approximately 72.25 per cent of the issued share capital of the Company, and was the only shareholder holding more than 10 per cent of the issued share capital of the Company. Accordingly, the Deceased's Shares cannot be dealt with until the Probate is duly granted by the Court. To the best of the Directors' knowledge, an Affidavit for the Commissioner together with four Corrective Affidavits have been submitted to the Estate Duty Office.

In the event that the proposed Repurchase Mandate were exercised in full, the respective shareholdings of the Deceased and the Directors of the Company, together with their associates, in the Company would be increased to approximately 80.28 per cent and 2.52 per cent of the issued share capital of the Company, resulting in the aggregate amount of the issued share capital of the Company in public hands being reduced to approximately 17.20 per cent. In the opinion of the Directors, exercise in full of the Repurchase Mandate will not give rise to an obligation on the Deceased and his associate to make a mandatory offer under Rules 26 and 32 of the Takeover Code. The Directors have no present intention to exercise the proposed Repurchase Mandate to such an extent as would result in the issued share capital of the Company in public hands falling below 25 per cent.

**9. SHARE PURCHASE BY THE COMPANY**

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.



**10. SHARE PRICES**

The highest and lowest prices at which the Shares traded on the Stock Exchange during each of the previous twelve months from July 2006 to the Latest Practicable Date were as follows:

	<b>Share</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2006</b>		
July	1.66	1.52
August	2.20	1.64
September	2.10	1.95
October	1.90	1.80
November	1.95	1.89
December	2.15	1.94
<b>2007</b>		
January	2.18	1.85
February	2.10	2.00
March	2.20	1.90
April	2.22	2.10
May	2.63	2.15
June	3.29	2.71
July up to the Latest Practicable Date	3.08	2.88

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## APPENDIX II      DETAILS OF RETIRING DIRECTORS SEEKING FOR RE-ELECTION AT THE 2007 AGM

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*In accordance with Article 103(A) of the Articles of Association of the Company, Mr. Cheung Kee Wee, Mr. John Ho and Mr. Lam Hon Keung, Keith will retire from office and they, being eligible, will offer themselves for re-election at the 2007 AGM. Their details are as follows:*

1. **Mr. Cheung Kee Wee**, aged 55, was appointed an Executive Director of the Company in 1976 and was elected as Chairman of the Group in 2000. Mr. Cheung holds a Bachelor Degree in Business Administration. He has over 30 years' experience in the property and building construction industry in Hong Kong and is now mainly responsible for the management and supervision of the Group's Property portfolio. Mr. Cheung did not hold any directorships in any other listed public companies in the last three years.

Mr. Cheung is the son of the Deceased, a substantial shareholder of the Company and the brother of Mr. Cheung Lin Wee and Mr. Cheung Ying Wai, Eric, Executive Directors of the Company. Save as disclosed herein, Mr. Cheung does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. Cheung is a director in each of the subsidiaries of the Company. As at the Latest Practicable Date, the interests of Mr. Cheung in the Shares which is required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance ("SFO") were as follows:

<b>Corporate Interests</b>	<b>Other Interests</b>	<b>Total</b>	<b>% of Issued Share Capital</b>
1,705,360 <i>(Note 1)</i>	87,391,440 <i>(Note 2)</i>	89,096,800	73.66

*Notes:*

- (1) These shares were held by a company of which Mr. Cheung Kee Wee and his spouse in aggregate owned 50% interest. Therefore, Mr. Cheung was deemed to be interested in these shares under the SFO.
- (2) Mr. Cheung Kee Wee is one of the three executors under the Will of the Deceased who held 87,391,440 shares before his death. Since Probate has not been granted and the Executors are not yet registered as holders of the Deceased's Shares in question, strictly speaking, a trust of the Deceased's Shares has not been legally constituted.

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## APPENDIX II      DETAILS OF RETIRING DIRECTORS SEEKING FOR RE-ELECTION AT THE 2007 AGM

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Mr. Cheung has not entered into any service contract with the Company but he is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company. The Director's remuneration of Mr. Cheung is recommended by the Remuneration Committee of the Company with reference to the Group's performance and profitability as well as the prevailing remuneration benchmark in the industry and approved by the Shareholders at the annual general meetings of the Company. For the year ended 31st March 2007, Mr. Cheung received a Director's fee of HK\$50,000. For the year ended 31st March 2008, a Director's fee of HK\$80,000 was recommended by the Remuneration Committee which will be determined by the Shareholders at the 2007 AGM. Mr. Cheung did/does not receive any other emoluments.

Save as disclosed above, there are no other matters concerning Mr. Cheung that need to be brought to the attention of the Shareholders nor is there any information that need to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

2. **Mr. John Ho**, aged 61, was appointed an Independent Non-executive Director of the Company in 1994 and was re-designated as a Non-executive Director of the Company in 2004. He was also appointed a member of the Audit Committee and the Remuneration Committee of the Company in 1998 and 2005 respectively. Mr. Ho holds a Bachelor of Laws degree from the University of London and has over 30 years' legal experience. He is a practicing solicitor in Hong Kong and a senior partner of Messrs. John Ho & Tsui which currently renders professional services not relating to listing matters to certain private companies in which all the Executive Directors of the Company have interests as directors and/or beneficial shareholders. Mr. Ho is currently an independent non-executive director of Wong's Kong King International (Holdings) Limited and also a CEO and executive director of China Western Investments PLC., a London listed company. Save as disclosed herein, Mr. Ho did not hold any directorships in any other listed public companies in the last three years.

Mr. Ho does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. Ho does not hold any position in other members of the Group. As at the Latest Practicable Date, Mr. Ho does not have any interest in the Shares which is required to be disclosed pursuant to Part XV of the SFO.

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## APPENDIX II      DETAILS OF RETIRING DIRECTORS SEEKING FOR RE-ELECTION AT THE 2007 AGM

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Mr. Ho has not entered into any service contract with the Company but he is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company. The Director's remuneration of Mr. Ho is recommended by the Directors with reference to the Group's performance and profitability as well as the prevailing remuneration benchmark in the industry and approved by the Shareholders at the annual general meetings of the Company. For the year ended 31st March 2007, Mr. Ho received a Director's fee of HK\$50,000. For the year ended 31st March 2008, a Director's fee of HK\$80,000 was recommended by the Directors which will be determined by the Shareholders at the 2007 AGM. Mr. Ho did/does not receive any other emoluments.

Save as disclosed above, there are no other matters concerning Mr. Ho that need to be brought to the attention of the Shareholders nor is there any information that need to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

3. **Mr. Lam Hon Keung, Keith** *O.B.E., J.P.*, aged 67, was appointed Independent Non-executive Director of the Company in 1993. He was also elected as Chairman of the Audit Committee and appointed a member of the Remuneration Committee of the Company in 1998 and 2005 respectively. He was a Committee Member of Far East Exchange Limited (1975-86), a Council Member of the Stock Exchange (1987-94), an ex-President of Rotary Club of Hong Kong South (1976-77), an appointed Legislative Councillor in the year 1984 and a member of the Social Welfare Advisory Committee (2000-2006). Mr. Lam is active in community and social involvements, he is the Chairman of the Hong Kong Buddhist Hospital and Vice Chairman of the Hong Kong Buddhist Association, etc.. He is also a Fellow of the Institute of Directors and a Fellow of Chartered Management Institute. Mr. Lam was deputy chairman and executive Director of China Fair Land Holdings Limited up to 8th June 2007 and is currently a deputy Chairman and an executive director of Hembly International Holdings Limited. Save as disclosed herein, Mr. Lam did not hold any directorships in any other listed public companies in the last three years.

Mr. Lam does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. Lam does not hold other position in other members of the Group. As at the Latest Practicable Date, Mr. Lam does not have any interest in the Shares which is required to be disclosed pursuant to Part XV of the SFO.

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**APPENDIX II      DETAILS OF RETIRING DIRECTORS SEEKING FOR  
RE-ELECTION AT THE 2007 AGM**

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Mr. Lam has not entered into any service contract with the Company but he is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company. The Director's remuneration of Mr. Lam is recommended by the Directors with reference to the Group's performance and profitability as well as the prevailing remuneration benchmark in the industry and approved by the Shareholders at the annual general meetings of the Company. For the year ended 31st March 2007, Mr. Lam received a Director's fee of HK\$50,000. For the year ended 31st March 2008, a Director's fee of HK\$80,000 was recommended by the Directors which will be determined by the Shareholders at the 2007 AGM. Mr. Lam did/does not receive any other emoluments.

Save as disclosed above, there are no other matters concerning Mr. Lam that need to be brought to the attention of the Shareholders nor is there any information that need to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

*Article 74 of the Company's Articles of Association sets out the right of shareholders to demand a poll:*

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the Chairman of the meeting; or
- (ii) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) 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
- (iv) 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.

Unless a poll be so demanded and not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.