
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, 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 to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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.



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

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 Tuesday, 23rd August 2005 at 12:00 noon (the "2005 AGM") (the "Notice") is set out on pages 6 to 7 of the 2004/2005 annual report (the "2005 Annual Report") of the Company. Whether or not you intend to attend the 2005 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 2005 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 2005 AGM or 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.

28th July 2005

CONTENTS

Page

LETTER FROM THE CHAIRMAN

Introduction	1
Proposed general mandate to issue shares	2
Proposed general mandate to repurchase shares	2
Proposed re-election of retiring directors at the 2005 AGM	3
Right to demand a poll	3
Proxy form	3
Recommendation	3
APPENDIX I — EXPLANATORY STATEMENT	4
APPENDIX II — DETAILS OF RETIRING DIRECTORS SEEKING FOR RE-ELECTION AT THE 2005 AGM	7
APPENDIX III — RIGHT TO DEMAND A POLL	9

LETTER FROM THE CHAIRMAN



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

28th July 2005

To the Shareholders

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES
AND REPURCHASE SHARES,
AND PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AT THE 2005 AGM**

INTRODUCTION

At the annual general meeting of the Company held on 23rd August 2004, 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 2005 AGM unless it is renewed at that Meeting.

LETTER FROM THE CHAIRMAN

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the 2005 AGM. These include (i) the ordinary resolutions granting the Directors general mandates to issue and repurchase fully-paid up ordinary shares of HK\$0.65 each of the Company (the “Share(s)”) and (ii) the ordinary resolutions proposing re-election of Directors who are due to retire at the 2005 AGM.

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 of the Company. Approval is being sought from the shareholders of the Company 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 2005 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 of the Company 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.

LETTER FROM THE CHAIRMAN

PROPOSED RE-ELECTION OF RETIRING DIRECTORS AT THE 2005 AGM

In accordance with Article 103(A) of the Company's Articles of Association, Mr. Cheung Lin Wee, Mr. John Ho and Mr. Ng Kwok Tung will retire by rotation at the 2005 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 full in the Notice. Your right to demand a poll on the proposed resolutions at the 2005 AGM is set out in **APPENDIX III** to this circular.

PROXY FORM

Proxy form for use at the 2005 AGM is enclosed herewith. The proxy forms can also be downloaded from the Company's website at <http://www.wahha.com>. Whether or not you are able to attend the 2005 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 2005 AGM or any adjournment thereof. Completion and return of the proxy forms will not preclude you from attending and voting at the 2005 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 its shareholders. Accordingly, the Directors recommend you to vote in favour of such resolutions at the 2005 AGM.

Yours faithfully,
Cheung Kee Wee
Chairman

This Appendix serves as an explanatory statement which contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules.

1. SHARE CAPITAL

As at 25th July 2005, 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 2005 AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 12,096,000 fully-paid up Shares.

2. REASONS FOR REPURCHASE

The Directors believe that it is in the best interests of the Company and its 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 its 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 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 OF 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 accounts for the year ended 31st March 2005 in the 2005 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 of the Company.

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 shareholding of the Deceased together with his associate (legal advice was given that as from the date of the death of the Deceased, the relationship between the Deceased and his spouse Madam Chin Lan Hong ascribed under the definition of "associate" was

terminated) in the Company would be increased to approximately 80.28 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 19.72 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 2004 to the Latest Practicable Date were as follows:

	Share	
	Highest HK\$	Lowest HK\$
2004		
July	1.35	1.19
August	1.33	1.24
September	1.30	1.18
October	1.25	1.18
November	1.43	1.22
December	1.48	1.36
2005		
January	1.42	1.39
February	1.52	1.42
March	1.60	1.45
April	1.63	1.52
May*	—	—
June	1.48	1.38
July up to the Latest Practicable Date	1.56	1.48

* There was no trading in the Shares during the month.

In accordance with Article 103(A) of the Articles of Association of the Company, Mr. Cheung Lin Wee, Mr. John Ho and Mr. Ng Kwok Tung will retire from office and they, being eligible, will offer themselves for re-election at the 2005 AGM. Their details are as follows:

1. Mr. Cheung Lin Wee, aged 47, joined the Group and appointed an Executive Director of the Company in 1985. Mr. Cheung holds a Bachelor Degree in Finance from the University of Southern California, U.S.A.. He has over 20 years' experience in the property management and is now mainly responsible for the property management activities of the Group. He is the son of the Deceased, a substantial shareholder of the Company and the brother of Mr. Cheung Kee Wee and Mr. Cheung Ying Wai, Eric, Executive Directors of the Company. Mr. Cheung has not held any directorship in any other listed companies in the last three years.

As at the Latest Practicable Date, the interests and short positions of Mr. Cheung in the Shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register to be kept by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Long Positions in Ordinary Shares of the Company

Personal Interests	Other Interests	Total	% of issued share capital
572,000	87,391,440 (Note)	87,963,440	72.72

Note: Mr. Cheung Lin 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.

Mr. Cheung does not have a service agreement with the Company. For the year ended 31st March 2005, Mr. Cheung was entitled to receive a Director's fee of HK\$50,000 which was approved by the shareholders at the 2004 annual general meeting of the Company with reference to the Group's performance and profitability as well as the prevailing market conditions. The Director's fee for the year ended 31st March 2006 will be determined by the shareholders of the Company at the 2005 AGM.

2. Mr. John Ho, aged 59, was appointed an Independent Non-executive Director of the Company in 1994 and was re-designated as a Non-executive Director of the Company on 27th September 2004. He was also appointed a member of Audit Committee of the Company since 1998. 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 a local law firm which currently renders professional services to certain private companies not relating to listing matter 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 another Hong Kong listed company, namely Wong's Kong King International (Holdings) Limited and also an executive director of Hemisphere Properties Plc., a London listed company.

As at the Latest Practicable Date, Mr. Ho did not hold any Shares within the meaning of Part XV of the SFO. He is not connected with any other directors, senior management or substantial or controlling shareholders of the Company and does not have a service agreement with the Company. For the year ended 31st March 2005, Mr. Ho was entitled to receive a Director's fee of HK\$50,000 which was approved by the shareholders at the 2004 annual general meeting of the Company with reference to the time and responsibilities committed by him. The Director's fee for the year ended 31st March 2006 will be determined by the shareholders of the Company at the 2005 AGM.

3. Mr. Ng Kwok Tung, aged 54, was appointed an Independent Non-executive Director of the Company in 2001 and was re-designated as a Non-executive Director of the Company on 27th September 2004. He was also appointed a member of Audit Committee of the Company since 2001. Mr. Ng holds a Bachelor of Commerce degree and a Licentiate in Accountancy from McGill University, Canada and a diploma in Chinese Law from the University of East Asia, Macau. He is a member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants of British Columbia, the Order of Chartered Accountants of Quebec, the Canadian Institute of Chartered Accountants and the Taxation Institute of Hong Kong. Mr. Ng is a practising accountant in Hong Kong and a partner of a local firm of Certified Public Accountants which currently provides audit and tax consultancy services to a number of private companies in which all the Executive Directors of the Company have interests as directors and /or beneficial shareholders. Mr. Ng is currently an independent non-executive director of another three Hong Kong listed companies, namely Fountain Set (Holdings) Limited, Universe International Holdings Limited and Timeless Software Limited.

As at the Latest Practicable Date, Mr. Ng did not hold any Shares within the meaning of Part XV of the SFO. He is not connected with any other directors, senior management or substantial or controlling shareholders of the Company and does not have a service agreement with the Company. For the year ended 31st March 2005, Mr. Ng was entitled to receive a Director's fee of HK\$50,000 which was approved by the shareholders at the 2004 annual general meeting of the Company with reference to the time and responsibilities committed by him. The Director's fee for the year ended 31st March 2006 will be determined by the shareholders of the Company at the 2005 AGM.

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.