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## LETTER FROM THE NWDSC INDEPENDENT BOARD COMMITTEE

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新世界百貨中國有限公司

New World Department Store China Limited

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 825)

27 June 2017

*To the Independent NWDSC Shareholders*

Dear Sir or Madam,

**PROPOSED PRIVATISATION BY WAY OF VOLUNTARY CONDITIONAL  
CASH OFFER BY UBS AG HONG KONG BRANCH ON BEHALF OF  
NEW WORLD DEVELOPMENT COMPANY LIMITED TO  
ACQUIRE ALL THE ISSUED SHARES OF NEW WORLD DEPARTMENT  
STORE CHINA LIMITED (OTHER THAN THOSE ALREADY HELD BY  
NEW WORLD DEVELOPMENT COMPANY LIMITED)**

### INTRODUCTION

We refer to the Composite Document dated 27 June 2017 (the “Composite Document”) jointly issued by the Offeror and NWDSC of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meaning as those defined in the Composite Document.

We have been appointed by the NWDSC Board to form the NWDSC Independent Board Committee to make recommendations to you as to whether, in our opinion, the terms and conditions of the Offer are fair and reasonable so far as the Independent NWDSC Shareholders are concerned and as to acceptance of the Offer.

We, being the members of the NWDSC Independent Board Committee, have declared that we are independent and do not have any conflict of interest in respect of the Offer and are therefore able to consider the terms of the Offer and to make recommendations to the Independent NWDSC Shareholders. Dr. Cheng Kar-Shun, Henry and Mr. Au Tak-Cheong, who are non-executive NWDSC Directors, are also directors of the Offeror. Ms. Ngan Man-Ying, Lynda, being the remaining non-executive NWDSC Director, is also an employee of the Offeror. As such, they

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are not considered independent for the purpose of advising the Independent NWDSC Shareholders in respect of the Offer and therefore not members of the NWDSC Independent Board Committee.

Ballas Capital Limited has been appointed, with our approval, as the NWDSC Independent Financial Adviser to advise and make recommendations to us as to the terms and conditions of the Offer and as to acceptance of the Offer. The details of its advice and recommendations and the principal factors taken into consideration in arriving at its recommendations are set out in the “Letter from the NWDSC Independent Financial Adviser” set out in the Composite Document.

We also wish to draw your attention to the “Letter from UBS”, the “Letter from the NWDSC Board” and the additional information set out in the Composite Document, including the appendices to the Composite Document and the accompanying Form of Acceptance.

### **RECOMMENDATIONS**

Having taken into account the advice and recommendations of the NWDSC Independent Financial Adviser, in particular the factors, reasons and recommendations as set out in the “Letter from the NWDSC Independent Financial Adviser”, we concur with the view of the NWDSC Independent Financial Adviser and consider that the terms of the Offer are fair and reasonable so far as the Independent NWDSC Shareholders are concerned, and recommend the Independent NWDSC Shareholders to accept the Offer.

Notwithstanding our recommendations, the Independent NWDSC Shareholders are strongly advised that their decision to realise or to hold their investment in NWDSC depends on their own individual circumstances and investment objectives. If in any doubt, the Independent NWDSC Shareholders should consult their own professional advisers for professional advice.

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Yours faithfully,  
The Independent Board Committee  
**New World Department Store China Limited**



(signed by Tong Hang-Chan, Peter pursuant to the power of attorney dated 5 June 2017)

**Mr. Cheong Ying-Chew, Henry**



(signed by Tong Hang-Chan, Peter pursuant to the power of attorney dated 5 June 2017)

**Mr. Chan Yiu-Tong, Ivan**



**Mr. Tong Hang-Chan, Peter**



(signed by Tong Hang-Chan, Peter pursuant to the power of attorney dated 5 June 2017)

**Mr. Yu Chun-Fai**

*Independent Non-executive Directors*