

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

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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **New World Department Store China Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**RE-ELECTION OF THE RETIRING DIRECTORS,  
GENERAL MANDATE TO ISSUE SHARES AND  
REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of New World Department Store China Limited to be held at Meeting Room N101A (New Wing), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Monday, 21 November 2011 at 11:00 am is set out on pages 13 to 17 of this circular. Whether or not you are able to attend the meeting, please complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 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 meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

21 October 2011

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at Meeting Room N101A (New Wing), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Monday, 21 November 2011 at 11:00 am
“Articles”	the articles of association of the Company as amended from time to time
“Associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	New World Department Store China Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and deal with the Shares in the manner as set out in resolution no. 5.(1) in the notice of the AGM
“Latest Practicable Date”	17 October 2011, being the latest practicable date prior to the bulk-printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

## DEFINITIONS

“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange and is the controlling Shareholder
“PRC”	the People’s Republic of China
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares in the manner as set out in resolution no. 5.(2) in the notice of the AGM
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) in the share capital of the Company, with a par value of HK\$0.100 each (or such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

The English text of this circular shall prevail over the Chinese text.

LETTER FROM THE CHAIRMAN



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)

*Non-executive Directors:*

Dr. Cheng Kar-shun, Henry (*Chairman*)  
Mr. Au Tak-cheong

*Executive Directors:*

Mr. Cheng Chi-kong, Adrian  
Mr. Cheung Fai-yet, Philip (*Managing Director*)  
Mr. Lin Tsai-tan, David  
Mr. Wong Kwok-kan, Kenneth  
Ms. Ngan Man-ying, Lynda

*Independent Non-executive Directors:*

Mr. Cheong Ying-chew, Henry  
Mr. Chan Yiu-tong, Ivan  
Mr. Tong Hang-chan, Peter  
Mr. Yu Chun-fai

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

Room 1604-08, 16/F  
New World Tower 1  
18 Queen's Road Central  
Hong Kong

21 October 2011

*To the Shareholders*

Dear Sir or Madam,

**RE-ELECTION OF THE RETIRING DIRECTORS,  
GENERAL MANDATE TO ISSUE SHARES AND  
REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the forthcoming AGM in relation to (i) the re-election of the retiring Directors; and (ii) granting of the Issue Mandate, the Repurchase Mandate and extension of the Issue Mandate. A notice of the AGM is set out on pages 13 to 17 in this circular.

## LETTER FROM THE CHAIRMAN

### **2. RE-ELECTION OF THE RETIRING DIRECTORS**

In accordance with articles 87(1) & 87(2) of the Articles, Mr. Lin Tsai-tan, David, Mr. Cheong Ying-chew, Henry, Mr. Tong Hang-chan, Peter and Mr. Yu Chun-fai will retire by rotation at the AGM and, being eligible, offer themselves for re-election at the AGM. Information required to be disclosed under the Listing Rules in relation to the retiring Directors is set out in Appendix I to this circular.

### **3. ISSUE MANDATE AND REPURCHASE MANDATE**

At the annual general meeting of the Company held on 23 November 2010, the Directors were granted general mandates to issue Shares and repurchase Shares. Each of such mandates will expire at the conclusion of the forthcoming AGM and the Directors would like to seek your approval to renew each of the mandates.

An ordinary resolution set out as resolution no. 5.(1) in the notice of the AGM will be proposed at the AGM to grant Issue Mandate to the Directors to allot and issue new Shares up to an amount not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution. Such Issue Mandate will be extended by a separate resolution set out as resolution no. 5.(3) in the notice of the AGM by adding to the aggregate nominal amount of the Shares to be issued and allotted pursuant to the Issue Mandate the nominal amount of the Shares repurchased by the Company pursuant to the Repurchase Mandate. The granting of the Issue Mandate will provide for flexibility to the Directors to issue Shares when it is in the interest of the Company.

At the AGM, another ordinary resolution set out as resolution no. 5.(2) in the notice of the AGM will be proposed to the Shareholders that the Directors be given a Repurchase Mandate to repurchase Shares up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution. An explanatory statement as required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in Appendix II to this circular.

### **4. VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of a poll at the AGM. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

## LETTER FROM THE CHAIRMAN

Subject to any special rights or restrictions as to voting for the time being attached to any Shares by or in accordance with the Articles, at any general meeting on a poll every Shareholder present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy shall have one vote for every fully paid Share of which he is the holder but so that no amount paid up or credited as paid up on a Share in advance of calls or installments is treated for the foregoing purposes as paid up on the Share.

### 5. PROXY

A proxy form for use at the AGM is enclosed herein. Whether or not you are able to attend the AGM, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited of 26th Floor, Tesbury Centre, 28 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 holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

### 6. RECOMMENDATION

The Directors believe that the re-election of the retiring Directors, granting of the Issue Mandate and the Repurchase Mandate are all in the best interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of all the relevant resolutions as set out in the notice of the AGM.

Your attention is drawn to the additional information as set out in the Appendices to this circular.

Yours faithfully,  
**Cheng Kar-shun, Henry**  
*Chairman*

The particulars of Mr. Lin Tsai-tan, David, Mr. Cheong Ying-chew, Henry, Mr. Tong Hang-chan, Peter and Mr. Yu Chun-fai, the retiring Directors who offer themselves for re-election at the AGM, disclosed pursuant to Rule 13.74 of the Listing Rules are as follows:

**Mr. Lin Tsai-tan, David**

Aged 60, has been an executive Director and the chief operating officer of the Group since June 2007. He is also a director of a number of the subsidiaries of the Company. Mr. Lin joined the Group in 2001 and has been responsible for the operation and management of the stores. He had over 25 years of experience in the retail industry and possesses substantial experience in the operation and business development of retail chains. Prior to joining the Group, Mr. Lin established and operated a major retail chain in Taiwan. Mr. Lin holds a Bachelor of Business Administration Degree from Soochow University.

Mr. Lin 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.

There is no service contract between the Company and Mr. Lin. Mr. Lin is not appointed for a specific term and is subject to retirement by rotation in accordance with the Articles. 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 annually and other emoluments to be reviewed and determined by the Board annually with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market condition. For the year ended 30 June 2011, his emoluments comprised a director's fee of HK\$150,000 from the Company and other emoluments of approximately HK\$1,864,000 from the Group.

Mr. Lin does not have any relationship with any Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Lin has a personal interest in 1,103,000 Shares and 689,000 underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Lin 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) of the Listing Rules in connection with his re-election.

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

Aged 63, has been an independent non-executive Director since June 2007. He is also a member of the audit committee and the remuneration committee of the Company. Mr. Cheong has over 30 years experience in the securities industry. He has been a director of the Worldsec Group of companies which he founded in 1991 together with The Bank of Tokyo-Mitsubishi UFJ, Ltd. in Japan (formerly known as "The Mitsubishi Bank"). Mr. Cheong currently serves as an executive director and the deputy chairman of Worldsec Limited, a company listed on the London Stock Exchange. Prior to setting up the Worldsec



Group in 1991, he was a director of James Capel (Far East) Limited for 5 years with overall responsibility of Far East sales. His earlier professional experience includes 11 years with Vickers da Costa Limited in Hong Kong, latterly as managing director. Mr. Cheong holds a Bachelor of Science (Mathematics) Degree from Chelsea College, University of London and a Master of Science (Operational Research and Management) Degree from Imperial College, University of London.

Mr. Cheong is an independent non-executive director of each of Cheung Kong (Holdings) Limited, Cheung Kong Infrastructure Holdings Limited, Excel Technology International Holdings Limited, Hutchison Telecommunications Hong Kong Holdings Limited, SPG Land (Holdings) Limited, TOM Group Limited, CNNC International Limited and Creative Energy Solutions Holdings Limited. He is also an independent director of BTS Group Holdings Public Company Limited, a company listed on the Stock Exchange of Thailand. Mr. Cheong was an independent non-executive director of FPP Japan Fund Inc. (formerly known as "FPP Golden Asia Fund Inc." and "Jade Asia Pacific Fund Inc."), a company listed in Ireland. Mr. Cheong is also a member of the Securities and Futures Appeals Tribunal, a member of the Advisory Committee of the Securities and Futures Commission and was previously a member of Disciplinary Panel A of the Hong Kong Institute of Certified Public Accountants.

Except as disclosed above, Mr. Cheong 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. Cheong has renewed a service contract with the Company for a term of three years commencing on 12 July 2010 and continuing thereafter unless terminated by either party by one month prior written notice or any other period mutually agreed with the Board provided that such mutually agreed period shall not exceed 12 months or automatically terminated immediately upon ceasing to be a Director in accordance with the Articles. He is subject to retirement by rotation in accordance with the Articles. 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 annually and with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market condition. For the year ended 30 June 2011, his emoluments comprised a director's fee of HK\$200,000 from the Company.

Mr. Cheong does not have any relationship with any Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Cheong has a personal interest in 250,000 underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Cheong 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) of the Listing Rules in connection with his re-election.

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

Aged 66, has been an independent non-executive Director since June 2007. He is also the chairman of the remuneration committee and a member of the audit committee of the Company. Mr. Tong is currently the managing director of Global Corporate Services Limited. He has more than 40 years of management experience with leading international retail chains and high-tech companies in Hong Kong and South East Asia, specialising in high-fashion and accessories brand management as well as in establishing sales and distribution networks through joint ventures and franchises. Mr. Tong was the chief operating officer of Mongolia Energy Corporation Limited (formerly known as “New World CyberBase Limited”), an executive director of Sa Sa International Holdings Limited, a vice president of Tiger Enterprises Limited and the president of Giordano Japan Limited (both subsidiaries of Giordano International Limited), the managing director of Longchamp Company Limited, an executive director of Dickson Development Company Limited, and the managing director of Christabel Trading Company Limited and Verwin Company Limited (both affiliates of The Swank Shop). Mr. Tong has been appointed as the chairman of Staff Panel, a vice chairman of Scout Supply Services Committee and a member of executive committee of Scout Association of Hong Kong.

Except as disclosed above, Mr. Tong 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. Tong has renewed a service contract with the Company for a term of three years commencing on 12 July 2010 and continuing thereafter unless terminated by either party by one month prior written notice or any other period mutually agreed with the Board provided that such mutually agreed period shall not exceed 12 months or automatically terminated immediately upon ceasing to be a Director in accordance with the Articles. He is subject to retirement by rotation in accordance with the Articles. 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 annually and with reference to his duties and responsibilities with the Company, the Company’s performance and the prevailing market condition. For the year ended 30 June 2011, his emoluments comprised a director’s fee of HK\$200,000 from the Company.

Mr. Tong does not have any relationship with any Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Tong has a personal interest in 250,000 underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Tong 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) of the Listing Rules in connection with his re-election.

**Mr. Yu Chun-fai**

Aged 49, has been an independent non-executive Director since June 2007. He is also a member of the audit committee and the remuneration committee of the Company. Mr. Yu has over 26 years of experience in the financial industry and he is the Founder, and currently the chairman and executive director of Oriental City Group Holdings Limited, a company listed on the Stock Exchange. Prior to establishing Oriental City Group, Mr. Yu worked for Morgan Stanley, AIG Asset Management (Asia) Ltd. and Allianz Dresdner Asset Management.

Except as disclosed above, Mr. Yu 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. Yu has renewed a service contract with the Company for a term of three years commencing on 12 July 2010 and continuing thereafter unless terminated by either party by one month prior written notice or any other period mutually agreed with the Board provided that such mutually agreed period shall not exceed 12 months or automatically terminated immediately upon ceasing to be a Director in accordance with the Articles. He is subject to retirement by rotation in accordance with the Articles. 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 annually and with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market condition. For the year ended 30 June 2011, his emoluments comprised a director's fee of HK\$200,000 from the Company.

Mr. Yu does not have any relationship with any Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Yu has a personal interest in 250,000 underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Yu 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) of the Listing Rules in connection with his re-election.

This Appendix serves as the 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 Repurchase Mandate to be granted to the Directors.

**SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,686,145,000 Shares.

Subject to the passing of the relevant ordinary resolution and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 168,614,500 Shares.

**REASONS FOR REPURCHASES**

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

**FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and the Articles and the applicable laws of Hong Kong and the Cayman Islands. The laws of Cayman Islands provide that the purchase of Shares may only be paid from the profits of the Company and/or out of the proceeds of a new issue of Shares made for the purpose of the repurchase or out of capital, if the Company can, immediately following such payment, pay its debt as they fall due in the ordinary course of business.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report for the year ended 30 June 2011) in the event that the Repurchase Mandate is 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 its gearing levels which, in each case and in the opinion of the Directors, are from time to time appropriate for the Company.

**GENERAL**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applied, they will exercise the Repurchase Mandate in accordance with the Listing Rules and applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their Associates have any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

No connected persons (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 Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, NWD directly held 1,218,900,000 Shares, representing an effective interest of 72.29% in the issued share capital of the Company. Chow Tai Fook Enterprises Limited (“CTF”), by virtue of its interest in NWD, was deemed to be interested in the said 1,218,900,000 Shares. CTF is wholly-owned by Centennial Success Limited (“Centennial”) which in turn is 51% owned by Cheng Yu Tung Family (Holdings) Limited (“CYTFH”). Accordingly, Centennial and CYTFH are deemed to be interested in the said 1,218,900,000 Shares. In the event that the Directors should exercise in full the Repurchase Mandate, the effective interests of NWD, CTF, Centennial and CYTFH in the issued share capital of the Company would be increased to approximately 80.32%. The Directors do not intend to repurchase Shares to such an extent that the public float will fall below 25%. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any purchases made under the Repurchase Mandate.

## SHARE PRICES

The highest and lowest traded prices for Shares recorded on the Stock Exchange in each of the previous 12 months prior to the Latest Practicable Date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2010</b>		
October	8.25	7.17
November	7.90	6.76
December	7.16	6.16
<b>2011</b>		
January	6.91	5.96
February	6.25	5.23
March	5.80	5.15
April	7.20	5.44
May	7.00	6.27
June	6.52	5.70
July	6.43	5.65
August	5.80	4.65
September	5.45	3.95
October (up to and including the Latest Practicable Date)	5.23	3.90

**SHARE PURCHASES MADE BY THE COMPANY**

No purchase of Shares has been made by the Company in the previous six months preceding the date of this circular (whether on the Stock Exchange or otherwise).

## NOTICE OF ANNUAL GENERAL MEETING



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)**

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “**Meeting**”) of the shareholders of New World Department Store China Limited (the “**Company**”) will be held at Meeting Room N101A (New Wing), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Monday, 21 November 2011 at 11:00 am for the following purposes:

1. To receive and consider the audited financial statements for the year ended 30 June 2011 together with the Report of the Directors and the Independent Auditor’s Report thereon.
2. To declare a final dividend and a special dividend for the year ended 30 June 2011.
3. To re-elect the retiring directors of the Company (the “**Directors**”) and authorise the board of Directors to fix the remuneration of Directors.
4. To re-appoint Auditor and authorise the board of Directors to fix their remuneration.
5. To consider and, if thought fit, pass with or without modifications, the following resolutions as ordinary resolutions of the Company:

(1) “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot and issue additional shares in the capital 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 powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors 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 powers after the end of the Relevant Period;

## NOTICE OF ANNUAL GENERAL MEETING

- (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 pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) 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; or (iii) the exercise of any options under any share option scheme or similar arrangement for the time being adopted for the grant or issue of shares of the Company or right to acquire shares of the Company; or (iv) the exercise of any rights under the bonds, warrants and debentures convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of 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 earlier 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 applicable law or the articles of association of the Company to be held; or
- (iii) the revocation or variation of the authority given under this resolution 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 to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical problems or 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).”



## NOTICE OF ANNUAL GENERAL MEETING

(2) **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with Cayman Islands law and all applicable laws and/or the Rules Governing the Listing of Securities on the Stock Exchange or the rules of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares to be repurchased by the Directors pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier 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 applicable law or the articles of association of the Company to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

## NOTICE OF ANNUAL GENERAL MEETING

(3) **“THAT:**

conditional upon the passing of ordinary resolutions nos. 5.(1) and 5.(2) as set out in the notice convening the Meeting, the general unconditional mandate granted to the Directors pursuant to ordinary resolution no. 5.(1) as set out in the notice convening the Meeting be extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the shares repurchased by the Company pursuant to the authority to repurchase shares granted pursuant to ordinary resolution no. 5.(2) as set out in the notice convening the Meeting, provided that such extended amount shall not exceed 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of the passing of this resolution.”

By order of the board of Directors  
**New World Department Store China Limited**  
**Wu Yuk-kwai, Catherine**  
*Company Secretary*

Hong Kong, 21 October 2011

*Notes:*

1. The register of members of the Company will be closed on Monday, 21 November 2011, during which no transfer of share of the Company will be registered. In order to establish entitlements to attend and voting at the Meeting of the Company, all transfers of shares of the Company accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited of 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 pm on Friday, 18 November 2011.

The register of members of the Company will be closed from Friday, 25 November 2011 to Wednesday, 30 November 2011, both days inclusive, during which period no transfer of share of the Company will be registered. In order to establish entitlements to the proposed final dividend and proposed special dividend, all transfers of shares of the Company accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited of 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 pm on Thursday, 24 November 2011.

2. Any member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy does not need to be a member of the Company.
3. Where there are joint registered holders of any share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such share(s) as if he were solely entitled thereto, but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share, shall alone be entitled to vote in respect thereof.
4. A proxy form for use at the Meeting is enclosed.

## NOTICE OF ANNUAL GENERAL MEETING

5. To be valid, the proxy form, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude members from attending and voting in person at the Meeting or any adjournment thereof.
6. In accordance with articles 87(1) & 87(2) of the articles of association of the Company, Mr. Lin Tsai-tan, David, Mr. Cheong Ying-chew, Henry, Mr. Tong Hang-chan, Peter and Mr. Yu Chun-fai will retire as Directors at the Meeting and being eligible, all the retiring Directors will offer themselves for re-election. Particulars of the said retiring Directors are set out in Appendix I to the circular to the shareholders of the Company dated 21 October 2011.
7. The resolutions as set out above will be determined by way of a poll.
8. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
9. As at the date of this notice, the non-executive Directors are Dr. Cheng Kar-shun, Henry and Mr. Au Tak-cheong; the executive Directors are Mr. Cheng Chi-kong, Adrian, Mr. Cheung Fai-yet, Philip, Mr. Lin Tsai-tan, David, Mr. Wong Kwok-kan, Kenneth and Ms. Ngan Man-ying, Lynda; and the independent non-executive Directors are Mr. Cheong Ying-chew, Henry, Mr. Chan Yiu-tong, Ivan, Mr. Tong Hang-chan, Peter and Mr. Yu Chun-fai.