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## **PROPOSED ADOPTION OF THE SECOND AMENDED AND RESTATED ARTICLES OF ASSOCIATION**

The board of directors (the “**Board**”) of New World Department Store China Limited (the “**Company**”) proposes to amend the existing amended and restated articles of association of the Company (the “**Existing Articles**”) and to adopt a second amended and restated articles of association of the Company (the “**New Articles**”) in order to, amongst other things, (i) conform to the core shareholder protection standards set out in Appendix 3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”); (ii) align with certain provisions of the Listing Rules and the applicable laws of the Cayman Islands; and (iii) make other miscellaneous and housekeeping amendments to update or clarify the provisions of the Existing Articles, including consequential amendments in line with the above amendments to the Existing Articles, and where it is considered desirable or to better align the wordings with the Listing Rules and the applicable laws of the Cayman Islands. The New Articles would consolidate all the proposed amendments to the Existing Articles, in substitution for, and to the exclusion of, the Existing Articles.

A summary of the major changes brought about by the adoption of the New Articles are set out below:

1. to amend the definition of “Law” to “Act” (being the Companies Act (As Revised), Cap. 22 of the Cayman Islands (the “**Act**”), and replace all references to “Law” with “Act”;
2. to delete “associate”, “debenture holder”, “dollars” and “Subsidiary and Holding Company” from the definitions and to add “announcement” and “substantial shareholder” as new definitions;

3. to amend the definition of “clearing house” to be in line with the Listing Rules;
4. to clarify the references to the right of a member of the Company (the “**Members**”) to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting verbally or in written form, by means of electronic facilities;
5. to delete certain articles which are no longer required under Appendix 3 to the Listing Rules;
6. to provide that the Board may accept the surrender for no consideration of any fully paid share of the Company;
7. to remove the provision which provides that variation of class rights could be approved by consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class;
8. to provide that titles to the listed shares of the Company may be evidenced and transferred in accordance with the applicable laws and the Listing Rules, and the register of members of the Company may be kept by recording the particulars required by Section 40 of the Act in a form otherwise than legible if such recording otherwise complies with applicable laws and the Listing Rules;
9. to provide that an annual general meeting of the Company shall be held in each financial year and within six (6) months after the end of the Company’s financial year;
10. to provide that any requisition made by Member(s) holding not less than one-tenth of the paid-up capital of the Company carrying voting rights at general meeting, on a one vote per share basis, may specify the resolution to be transacted at such meeting in such requisition;
11. to remove the additional requirements that any annual general meeting shall be called by notice of not less than 20 clear business days and that all other general meetings (including any extraordinary general meeting) shall be called by notice of not less than 10 clear business days which are no longer required under the Corporate Governance Code in Appendix 14 to the Listing Rules;
12. to allow, for quorum purposes only, two persons appointed by the clearing house as authorised representative or proxy to form a quorum for a general meeting of the Company for all purposes;

13. to align with the requirements under Rule 13.39(4) of the Listing Rules that the chairman of a general meeting may, in good faith, allow resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands;
14. to provide that votes (whether on a show of hands or by way of poll) may be cast at general meeting(s) by such means, electronic or otherwise, as the directors of the Company (the “**Directors**”) or the chairman of the meeting may determine;
15. to make changes on how a poll may be demanded in the case where voting by way of a show of hands is allowed at a general meeting;
16. to provide expressly that all Members shall have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration;
17. to make amendments in relation to the timing of lodging a notice by a Member for his intention to propose the person for election as a Director and the notice by the person to be proposed of his willingness to be elected;
18. to make amendments in relation to the circumstances where a Director shall not vote (nor be counted in the quorum) on any Board resolution approving any matter in which he or any of his close associates has a material interest and the exceptions thereof in order to align with the requirements under Rule 13.44 of the Listing Rules;
19. to provide that the Company shall not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong;
20. to empower the Board to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including share premium account and the profit and loss account) to pay up unissued shares to be allotted to employees or trustee in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting;

21. to provide that Members may by ordinary resolution appoint the Company's auditor or remove the Company's auditor before the expiration of his term of office;
22. to remove the requirement that, in the event of winding up of the Company, Members who are not in Hong Kong for the time being shall be bound to serve notice on the Company to appoint a person resident in Hong Kong to whom documents in relation to the winding-up may be served; and
23. to make other amendments to update or clarify provisions considered by the Board to be necessary or desirable to comply with or better align with the wordings and requirements of the applicable laws of the Cayman Islands and the Listing Rules.

The proposed amendments to the Existing Articles and the adoption of the New Articles are subject to the approval by the shareholders of the Company by way of a special resolution at the forthcoming annual general meeting of the Company to be held on Monday, 21 November 2022 (the "AGM"). A circular containing, among other things, particulars relating to the proposed amendments to the Existing Articles brought about by the adoption of the New Articles together with a notice convening the AGM will be despatched to the shareholders of the Company in due course.

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

Hong Kong, 20 October 2022

*As at the date of this announcement, the non-executive Directors are Dr. Cheng Chi-kong, Adrian and Ms. Chiu Wai-han, Jenny; the executive Directors are Mr. Cheung Fai-yet, Philip and Ms. Xie Hui-fang, Mandy; 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.*