



新世界百貨中國有限公司

New World Department Store China Limited

Date: 14 June 2016

PRIVATE AND CONFIDENTIAL

Mr. Cheong Ying-chew, Henry
Flat C2, 5/F., Park Place,
7 Tai Tam Reservoir Road,
Hong Kong

Dear Mr. Cheong

Appointment as an independent non-executive director of New World Department Store China Limited (the “Company”)

We write in relation to your appointment as an independent non-executive director of the Company. In this respect, we would set out below the terms of your appointment as an independent non-executive director of the Company:

1. you shall, subject as hereinafter provided, continue to serve the Company as an independent non-executive director of the Company;
2. the term of your appointment will be a fixed term with effect from 1 July 2016 to 30 June 2019;
3. you shall be entitled to an annual director’s fee (or pro rata for an incomplete annual period) of HK\$200,000, subject to any change as the remuneration committee, the board of directors or the shareholders of the Company may approve from time to time, payable in arrears, and you shall be reimbursed for all reasonable out-of-pocket costs, fees and expenses properly incurred in the performance of your duties as an independent non-executive director of the Company and you will, if so required, provide the Company with receipts or other evidence to the payment of such costs, fees and expenses;
4. your appointment shall be (a) terminated at any time by either party giving to the other one month’s notice in writing or any other period mutually agreed between the board of directors of the Company and you provided that such mutually agreed period shall not exceed 12 months; (b) automatically terminated immediately upon your ceasing to be a director of the Company in accordance with the provisions, in force from time to time, of (i) the articles of association of the Company; (ii) the Companies Ordinance (Cap 622 Laws of Hong Kong); (iii) the Companies Law of the Cayman Islands; or (iv) any law, requirements, rules, regulations, practices and/or direction under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”); or (c) terminated by the Company by summary notice in writing if you (i) have become guilty of any serious misconduct or committed any material or repeated breach of your obligations as a director; (ii) are guilty of conduct tending to bring the Company into disrepute; (iii) become bankrupt or have an interim order made against you, or if you compound with your creditors generally; (iv) are disqualified from being a director by reason of any court order; or (v) have been convicted of a criminal offence relating to integrity or honesty or of market abuse or insider dealing; and

香港銅鑼灣興發街 88 號 7 樓全層

7th Floor, 88 Hing Fat Street, Causeway Bay, Hong Kong

電話 TEL (852) 2753 3988 傳真 FAX (852) 2318 0884 網址 Website <http://www.nwds.com.hk>

新世界百貨網上商城 New World Department Store E-Shopping : <http://www.enwds.com>

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5. you shall perform such functions and exercise such powers as are appropriate to your position as an independent non-executive director of the Company. You shall also observe and comply with all reasonable directions from, and all laws applicable to and all regulations of, the Company including, without prejudice to the generality of the foregoing, all laws and regulations from time to time in force with respect to confidentiality, dealings in shares and notifications required to be made by a director to the Company and/or any other regulatory body. In addition, you shall observe, and use your best endeavours to procure that the Company observes, the rules and regulations of The Stock Exchange of Hong Kong Limited and the Hong Kong Codes on Takeovers and Mergers and Share Repurchases.

The terms of this letter shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China.

If the above terms of appointment are acceptable to you, please sign the acknowledgement thereof below.

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New World Department Store China Limited

Yours sincerely

New World Department Store China Limited

Wu Yuk-kwai, Catherine
Company Secretary

I hereby accept the terms of my appointment as an independent non-executive director of the Company.

Mr. Cheong Ying-chew, Henry
Date:

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APPENDIX

List of Major Responsibilities for an Independent Non-executive Director

(1) Continuing Connected Transactions:

The Listing Rules state that each independent non-executive director shall review the non-exempt continuing connected transactions annually and confirm, in the Company's annual report and accounts for the year in question, that the continuing connected transactions have been entered into (i) in the ordinary course of business of the Company and its subsidiaries (the "Group"), (ii) on normal commercial terms, and (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the independent shareholders of the Company as a whole.

(2) Share Option Scheme:

Grant of shares options of the Company to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive directors of the Company.

(3) Audit Committee, Remuneration Committee and Nomination Committee:

You would be a member of the audit committee, the remuneration committee and/or the nomination committee of the board of directors of the Company which monitors the financial reporting function and maintains risk management and internal controls; reviews remuneration of the executive directors and senior management of the Company; and review composition of the Board, respectively. Written terms of reference will deal clearly with the relevant authorities and duties.

(4) Independence Letter:

To maintain your independence from the Company, as stated in your written notification provided to the Company in February 2016, you do not have direct or indirect equity interest in the Company, financial or other business interest in the Group or connection with any connected person or any management function in the Group.

(5) Notification and Confirmation:

Every director is required to notify the Exchange as soon as practicable after the occurrence of any subsequent change of circumstances which may affect his or her independence and must provide an annual confirmation of his or her independence to the Company.

(6) Assignments from the board of directors of the Company:

You are required to carry out any other duties as assigned by the board of directors of the Company.

(7) Reasons for resignation or removal:

If an independent non-executive director resigns or is removed from office, the Exchange should be notified of the reasons of the said resignation or removal.

(8) Laws, Rules and Regulations:

You should comply with all laws applicable to the Company including, without prejudice to the generality of the foregoing, all laws and regulations from time to time in force with respect to confidentiality, dealings in shares and notifications required to be made by an independent non-executive director to the Company and/or other regulatory body. In addition, you should observe, and use your best endeavours to procure that the Company observes, the rules and regulations of the Exchange.