
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, 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.

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.



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

A notice convening the annual general meeting of New World Department Store China Limited to be held at Meeting Room 201A (New Wing), Hong Kong Convention & Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Monday, 1 December 2008 at 10:00 am is set out on pages 10 to 12 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 branch share registrar and transfer office of the Company in Hong Kong at 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 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 adjourned meeting should you so wish.

29 October 2008

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE CHAIRMAN	
1. Introduction	2
2. Re-election of the retiring directors	2
3. Issue mandate and repurchase mandate	2
4. Procedures by which a poll may be demanded	3
5. Proxy	4
6. Recommendation	4
APPENDIX I — Information on the directors proposed for re-election	5
APPENDIX II — Explanatory statement for the repurchase mandate	8
Notice of annual general meeting	10

DEFINITIONS

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

“AGM”	The annual general meeting of the Company convened to be held on Monday, 1 December 2008 at 10:00 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
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“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 Shares in the manner as set out in resolution no. 5(1) in the notice of the AGM
“Latest Practicable Date”	22 October 2008, 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
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong, the shares of which are listed on the main board of the Stock Exchange and is the controlling shareholder of the Company
“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
“Share(s)”	share(s) in the share capital of the Company, with a par value of HK\$0.10 each
“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, Henry

Registered office:

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

*Principal place of business
in Hong Kong:*

Room 1403, 14th Floor
West Wing Office Building
New World Centre
20 Salisbury Road
Tsimshatsui, Kowloon
Hong Kong

29 October 2008

To the Shareholders

Dear Sir or Madam,

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

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 10 to 12 in this circular.

2. RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with articles 87(1) & 87(2) of the Articles, Ms. Ngan Man-ying, Lynda, Mr. Cheong Ying-chew, Henry, Mr. Tong Hang-chan, Peter and Mr. Yu Chun-fai, Henry will retire by rotation at the AGM and, being eligible, will 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 26 November 2007, the Directors were granted general mandates to issue Shares and to 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.

LETTER FROM THE CHAIRMAN

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. PROCEDURES BY WHICH A POLL MAY BE DEMANDED

Pursuant to article 66 of the Articles, a resolution put to the vote of the meeting shall be decided on show of hands unless voting by way of a poll is required by the rules of the Stock Exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded by:

- (a) the chairman of the meeting; or
- (b) at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative 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 shares conferring that right; or
- (e) if required by the rules of the Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent.(5%) or more of the total voting rights at the meeting.

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 show of hands 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 and 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 instalments is treated for the foregoing purposes as paid up on the Share. Notwithstanding anything contained in the Articles, where more than one proxy is appointed by a Shareholder which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

LETTER FROM THE CHAIRMAN

5. PROXY

A proxy form for use at the AGM is enclosed with this circular. 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 branch share registrar and transfer office of the Company in Hong Kong at 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. The completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjourned meeting 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 ordinary 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 Ms. Ngan Man-ying, Lynda, Mr. Cheong Ying-chew, Henry, Mr. Tong Hang-chan, Peter and Mr. Yu Chun-fai, Henry, 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:

Ms. Ngan Man-ying, Lynda

Aged 42, has been Director since January 2007 and designated as executive Director since June 2007. Ms. Ngan joined the Group in 2007 and is responsible for the financial planning and corporate governance of the Group. She is also an executive director, financial controller and company secretary of New World China Land Limited (stock code: 917). Ms. Ngan has over 20 years of experience in auditing, accounting, business advisory and tax consultancy. She has previously worked for an international accounting firm in Hong Kong and a tax consulting company in Australia. Ms. Ngan possesses a Bachelor Degree in Business from University of Southern Queensland and is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants of the United Kingdom.

Except as disclosed, Ms. Ngan 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 Ms. Ngan. Ms. Ngan is not appointed for a specific term and is subject to retirement by rotation in accordance with the Articles. Her emoluments comprise a director's fee to be reviewed and determined by the board of Directors annually with the authorisation granted by the Shareholders at an annual general meeting of the Company annually and with reference to her duties and responsibilities with the Company, the Company's performance and the prevailing market condition. For the year ended 30 June 2008, her emoluments comprised a director's fee of HK\$150,000 from the Company.

Except as disclosed, Ms. Ngan does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Ms. Ngan has a personal interest in 500,000 underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Ngan 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)(h) to (v) of the Listing Rules in connection with her re-election.

Mr. Cheong Ying-chew, Henry

Aged 60, has been 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 securities industry. He has been a director of the Worldsec Group of companies which he founded in 1991 together with the Mitsubishi Bank in Japan. Mr. Cheong currently serves as a director and 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 (stock code: 1), Cheung Kong Infrastructure Holdings Limited (stock code: 1038), Excel Technology International Holdings Limited (stock code: 8048), SPG Land (Holdings) Limited (stock code: 337), TOM Group Limited (stock code: 2383) and FPP Golden Asia Fund Inc. (formerly known as "Jade Asia Pacific Fund Inc."), a

company listed in Ireland. He was an independent non-executive director of Forefront International Holdings Limited (now known as “Forefront Group Limited”) (stock code: 885) and Hutchison Global Communications Holdings Limited (which has been privatised and withdrawn from listing on the Stock Exchange in July 2005). He is also a member of the Corporate Advisory Council of the Hong Kong Securities Institute and a member of Disciplinary Panel A of Hong Kong Institute of Certified Public Accountants.

Except as disclosed, 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 entered a service contract with the Company for a term of three years commencing on 12 July 2007 and continuing thereafter unless terminated by either party by one month prior written notice or any other period mutually agreed with the board of Directors 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 of Directors 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 2008, 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 of the Company. 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)(h) to (v) of the Listing Rules in connection with his re-election.

Mr. Tong Hang-chan, Peter

Aged 63, has been 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. He is currently the managing director of Global Corporate Services Limited. Mr. Tong 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. He was the chief operating officer of New World CyberBase Limited (now known as “Mongolia Energy Corporation Limited”) (stock code: 276), an executive director of Sa Sa International Holdings Limited (stock code: 178), a vice president of Tiger Enterprises Limited and the president of Giordano Japan Limited (both subsidiaries of Giordano International Limited (stock code: 709)), managing director of Longchamp Company Limited, executive director of Dickson Development Company Limited, and 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 member of Scout Supply Services Committee and a member of executive committee of Scout Association of Hong Kong.

Except as disclosed, 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 entered a service contract with the Company for a term of three years commencing on 12 July 2007 and continuing thereafter unless terminated by either party by one month prior written notice or any other period mutually agreed with the board of Directors 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 of Directors 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 2008, 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 of the Company. 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)(h) to (v) of the Listing Rules in connection with his re-election.

Mr. Yu Chun-fai, Henry

Aged 46, has been 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 20 years of experience in the financial services industry and he is currently the director and the chief executive officer of Oriental City Group plc., a company listed on PLUS market in London, United Kingdom. Prior to joining Oriental City Group plc., Mr. Yu was a Vice President in the Private Wealth Management Division of Morgan Stanley (Asia) Ltd., a Vice President of AIG Asset Management (Asia) Ltd. and the Head of Marketing of Allianz Dresdner Asset Management. He holds a Bachelor of Business Administration degree from University of North Texas, USA and a candidate of Master of Business Administration degree of Golden Gate University, USA.

Except as disclosed, 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 entered a service contract with the Company for a term of three years commencing on 12 July 2007 and continuing thereafter unless terminated by either party by one month prior written notice or any other period mutually agreed with the board of Directors 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 of Directors 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 2008, 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 of the Company. 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)(h) to (v) 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 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 2008) 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:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2007		
October	8.58	6.70
November	9.73	7.70
December	11.56	8.88
2008		
January	11.20	8.00
February	10.70	9.04
March	10.26	7.25
April	9.49	7.31
May	9.50	7.94
June	8.38	6.39
July	7.20	5.51
August	6.57	4.73
September	6.24	3.70
October (up to and including the Latest Practicable Date)	4.60	3.28

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 of the shareholders of New World Department Store China Limited (the “Company”) will be held at Meeting Room 201A (New Wing), Hong Kong Convention & Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Monday, 1 December 2008 at 10:00 am for the following purposes:

1. To receive and consider the audited Financial Statements and the Report of the Directors and the Independent Auditor’s Report for the year ended 30 June 2008.
2. To declare a final dividend.
3. To re-elect the retiring Directors and to authorise the Board of Directors to fix the remuneration of Directors.
4. To re-appoint Auditors and to 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:

(1) **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company 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 of the Company during the Relevant Period 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;
- (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 of the Company 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 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 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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; and
- (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.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company 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 of the Company 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).”

(2) **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company 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 of the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date 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; and
- (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 this meeting, the general unconditional mandate granted to the Directors of the Company pursuant to Ordinary Resolution No. 5(1) as set out in the notice convening this 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 this meeting, provided that such extended amount shall not exceed 10 per cent of the aggregate nominal value of the share capital of the Company in issue as at the date of this resolution.”

By order of the Board
Wong Kwok-kan, Kenneth
Company Secretary

Hong Kong, 29 October 2008

Notes:

1. The register of members of the Company will be closed from Monday, 24 November 2008 to Monday, 1 December 2008, 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, 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 at Tricor Investor Services Limited of 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:00 pm on Friday, 21 November 2008.
2. Any member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies (who must be individuals) to attend and vote instead of him. A proxy need not be a member of the Company.
3. If more than one of the joint holders be present at the meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the name stands in the register of members in respect of the joint shareholding.
4. A proxy form for use at the meeting is enclosed.
5. To be valid, the proxy form together with the power of attorney or other authority, if any, under which it is signed or notarially certified copy of such power of attorney or authority, must be deposited at the branch share registrar and transfer office of the Company in Hong Kong at 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 for holding the meeting or any adjournment thereof. Completion and delivery of the proxy form will not preclude members from attending and voting in person at the meeting.
6. In accordance with articles 87(1) & 87(2) of the articles of association of the Company, Ms. Ngan Man-ying, Lynda, Mr. Cheong Ying-chew, Henry, Mr. Tong Hang-chan, Peter and Mr. Yu Chun-fai, Henry will retire as Directors at the above 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 29 October 2008.
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, Henry.