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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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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 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 N201A (New Wing), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Tuesday, 8 December 2009 at 10:00 am is set out on pages 13 to 16 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 adjournment thereof should you so wish.

29 October 2009

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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 convened to be held on Tuesday, 8 December 2009 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 in 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”	22 October 2009, 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 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

DEFINITIONS

“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 (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, 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 2009

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 13 to 16 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. Cheung Fai-yet, Philip, Mr. Lin Tsai-tan, David, Mr. Wong Kwok-kan, Kenneth and Mr. Chan Yiu-tong, Ivan 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 1 December 2008, 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.

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 the amendments to the Listing Rules, which came into effect on 1 January 2009, 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.

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.

LETTER FROM THE CHAIRMAN

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 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. 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 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 Mr. Cheung Fai-yet, Philip, Mr. Lin Tsai-tan, David, Mr. Wong Kwok-kan, Kenneth and Mr. Chan Yiu-tong, Ivan, 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. Cheung Fai-yet, Philip

Aged 54, has been the Managing Director and an executive Director since June 2007. He is also a member of the remuneration committee of the Company and a director of a number of the subsidiaries of the Company. He joined the Group in 1993 and has been responsible for the overall management of the Group. Mr. Cheung had over 30 years of experience in the retail industry and possesses extensive experience in managing retailing stores in the PRC, Hong Kong and Taiwan. Prior to joining the Group, Mr. Cheung has held various senior management positions in large retail groups in Hong Kong and Taiwan including worked as a general manager in a large Japanese department store and as a general manager in the retail division of a UK based conglomerate in Hong Kong and as a general manager in a large pharmaceutical retail company in Taiwan.

Mr. Cheung 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. Cheung. Mr. Cheung 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 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 2009, his emoluments comprised a director's fee of HK\$150,000 from the Company and other emoluments of approximately HK\$4,734,000 from the Group.

Mr. Cheung 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. Cheung has a personal interest in 330,000 Shares and 2,000,000 underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Cheung 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. Lin Tsai-tan, David

Aged 58, 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 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 2009, his emoluments comprised a director's fee of HK\$150,000 from the Company and other emoluments of approximately HK\$2,416,000 from the Group.

Mr. Lin 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. Lin has a personal interest in 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)(h) to (v) of the Listing Rules in connection with his re-election.

Mr. Wong Kwok-kan, Kenneth

Aged 45, has been a Director since January 2007 and designated as an executive Director since June 2007. He is also the company secretary of the Company and a director of a number of the subsidiaries of the Company. Mr. Wong joined the Group in 1995 and has been the chief financial officer of the Group. He is responsible for the financial management and corporate finance matters of the Group. Mr. Wong has over 15 years experience in the retail industry in the PRC. Prior to joining the Group, Mr. Wong held a senior position in a large retail group in Hong Kong. He holds a bachelor of business administration degree from The Chinese University of Hong Kong, a bachelor of law degree from Tsinghua University and a master of business administration degree from University of Strathclyde. Mr. Wong is a fellow member of The Association of Chartered Certified Accountants of the United Kingdom and an associate member of The Hong Kong Institute of Certified Public Accountants.

Mr. Wong 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. Wong. Mr. Wong 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 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 2009, his emoluments comprised a director's fee of HK\$150,000 from the Company and other emoluments of approximately HK\$1,785,000 from the Group.

Mr. Wong 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. Wong has a personal interest in 751,000 underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Wong 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. Chan Yiu-tong, Ivan

Aged 55, has been an independent non-executive Director since June 2007. He is also the chairman of the audit committee and a member of the remuneration committee of the Company. Mr. Chan has more than 19 years of audit and consulting experience with multinational and PRC corporations. He was the audit engagement partner for many of the B-share and H-share listings in the early 90s. In addition, Mr. Chan had been with a leading British merchant bank and an international accounting firm, specializing in mergers and acquisitions in the PRC. Mr. Chan graduated from the London School of Economics with a Bachelor of Science degree in Economics.

Mr. Chan 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. Chan has entered into 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 2009, his emoluments comprised a director's fee of HK\$200,000 from the Company.

Mr. Chan 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. Chan has a personal interest in 250,000 underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Chan 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 2009) 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 <i>HK\$</i>	Lowest <i>HK\$</i>
2008		
October	4.60	3.00
November	5.15	3.24
December	4.35	3.23
2009		
January	4.45	2.66
February	3.23	2.60
March	3.48	2.30
April	4.60	3.17
May	6.25	4.40
June	7.04	5.41
July	6.95	5.50
August	7.07	5.50
September	6.54	5.47
October (up to and including the Latest Practicable Date)	7.00	5.90

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 of the shareholders of New World Department Store China Limited (the “Company”) will be held at Meeting Room N201A (New Wing), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Tuesday, 8 December 2009 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 2009.
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 Auditor 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

NOTICE OF ANNUAL GENERAL MEETING

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 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;
- (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.

“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;

NOTICE OF ANNUAL GENERAL MEETING

(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; 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.”

(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 of the Company 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 2009

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The register of members of the Company will be closed from Thursday, 3 December 2009 to Tuesday, 8 December 2009, 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 4:30 pm on Wednesday, 2 December 2009.
2. Any member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not 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 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.
5. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed or notarially certified copy of such power 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 appointed for the holding of 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. Cheung Fai-yet, Philip, Mr. Lin Tsai-tan, David, Mr. Wong Kwok-kan, Kenneth and Mr. Chan Yiu-tong, Ivan will retire as directors of the Company at the above meeting and being eligible, all the retiring directors of the Company 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 2009.
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 of the Company are Dr. Cheng Kar-shun, Henry and Mr. Au Tak-cheong; the executive directors of the Company 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 of the Company are Mr. Cheong Ying-chew, Henry, Mr. Chan Yiu-tong, Ivan, Mr. Tong Hang-chan, Peter and Mr. Yu Chun-fai, Henry.