

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

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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 Tuesday, 23 November 2010 at 11:15 am (or so soon thereafter as the extraordinary general meeting of the Company convened for the same date and place at 11:00 am shall have been concluded) 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 Hong Kong branch share registrar and transfer office of the Company at 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.

25 October 2010

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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 Tuesday, 23 November 2010 at 11:15 am (or so soon thereafter as the extraordinary general meeting of the Company convened for the same date and place at 11:00 am shall have been concluded)
“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”	22 October 2010, 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
“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

*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

25 October 2010

*To the Shareholders*

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING  
RE-ELECTION OF THE RETIRING DIRECTORS  
GENERAL MANDATES TO ISSUE SHARES AND  
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, Dr. Cheng Kar-shun, Henry, Mr. Cheng Chi-kong, Adrian, Mr. Au Tak-cheong and Ms. Ngan Man-ying, Lynda 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 8 December 2009, 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.

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

## LETTER FROM THE CHAIRMAN

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 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 Dr. Cheng Kar-shun, Henry, Mr. Cheng Chi-kong, Adrian, Mr. Au Tak-cheong and Ms. Ngan Man-ying, Lynda, 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:

**Dr. Cheng Kar-shun, Henry**

Aged 63, has been the Chairman and a non-executive Director since June 2007. Dr. Cheng is also a director of a number of the subsidiaries of the Company. He is responsible for the overall planning, strategic development and major policy making of the Group. Dr. Cheng holds offices in various listed public companies, including being the managing director of New World Development Company Limited, the chairman and the managing director of New World China Land Limited, the chairman of NWS Holdings Limited and International Entertainment Corporation, and a non-executive director of Lifestyle International Holdings Limited and an independent non-executive director of HKR International Limited. He is also the managing director of New World Hotels (Holdings) Limited, a director of Cheng Yu Tung Family (Holdings) Limited, Centennial Success Limited and Chow Tai Fook Enterprises Limited, all of which are substantial shareholders of the Company. Dr. Cheng was the chairman of Taifook Securities Group Limited. He acts as the chairman of the Advisory Council for The Better Hong Kong Foundation and a Standing Committee Member of the Eleventh Chinese People's Political Consultative Conference of the PRC. In 2001, Dr. Cheng was awarded the Gold Bauhinia Star by the Government of Hong Kong.

Except as disclosed above, Dr. Cheng 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 Dr. Cheng. Dr. Cheng is appointed for a term of three years 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 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 2010, his emoluments comprised a director's fee of HK\$100,000 from the Company.

Dr. Cheng is the father of Mr. Cheng Chi-kong, Adrian, an executive Director. Except as disclosed, Dr. Cheng does not have any relationship with any Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Dr. Cheng has a personal interest in 1,000,000 underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Dr. Cheng is not aware of any other matters that need to be brought to the attention of the Shareholders or any information 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. Cheng Chi-kong, Adrian**

Aged 30, has been an executive Director since June 2007. He is also a member of the remuneration committee of the Company. Mr. Cheng joined the Group in 2007 and is responsible for overseeing the corporate affairs of the Group. He is an executive director of each of NWD, New World China Land Limited and International Entertainment Corporation. Mr. Cheng is also a director of Centennial Success Limited and Chow Tai Fook Enterprises Limited, both of which are substantial Shareholders. He is the vice-chairman of All-China Youth Federation, a member of the Tianjin Municipal Committee of the Chinese People's Political Consultative Conference, a consultant of the Beijing Municipal Committee of the Chinese People's Political Consultative Conference, the chairman of China Young Leaders Foundation and the Honorary Chairman of Fundraising Committee, Wu Zhi Qiao (Bridge to China) Charitable Foundation. Mr. Cheng has substantial experience in corporate finance and worked in a major international bank prior to joining NWD. He holds a Bachelor of Arts Degree (*Cum Laude*) from Harvard University.

Except as disclosed above, Mr. Cheng 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. Cheng. Mr. Cheng 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 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 2010, his emoluments comprised a director's fee of HK\$150,000 from the Company.

Mr. Cheng is the son of Dr. Cheng Kar-shun, Henry, the chairman of the Company. Except as disclosed, Mr. Cheng does not have any relationship with any Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Cheng has a corporate interest in 1,107,000 Shares and a personal interest in 500,000 underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Cheng is not aware of any other matters that need to be brought to the attention of the Shareholders or any information 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. Au Tak-cheong**

Aged 58, has been a non-executive Director since June 2007 and is responsible for overseeing compliance of policy and procedures in relation to accounting matters of the Group. Mr. Au is also the deputy chief financial officer of NWD. He possesses over 30 years of experience in the area of finance and accounting.

Except as disclosed above, Mr. Au 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. Au. Mr. Au is appointed for a term of three years 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 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 2010, his emoluments comprised a director's fee of HK\$100,000 from the Company.

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

Save as disclosed above, Mr. Au is not aware of any other matters that need to be brought to the attention of the Shareholders or any information 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.

**Ms. Ngan Man-ying, Lynda**

Aged 44, has been a Director since January 2007 and designated as an executive Director since June 2007. Ms. Ngan is a director of certain subsidiaries of the Company. She joined the Group in 2007 and is responsible for the financial planning and corporate governance of the Group. Ms. Ngan is also an executive director, the financial controller and the company secretary of New World China Land Limited. She has over 23 years of experience in auditing, accounting, business advisory and tax consultancy. Ms. Ngan has previously worked for an international accounting firm in Hong Kong and a tax consulting company in Australia. She 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 above, 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 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 2010, her emoluments comprised a director's fee of HK\$150,000 from the Company.

Ms. Ngan does not have any relationship with any Directors, senior management or substantial or controlling Shareholders. 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 that need to be brought to the attention of the Shareholders or any information to be disclosed pursuant to any of the requirements set out in Rules 13.51(2) of the Listing Rules in connection with her 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 2010) 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>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2009</b>		
October	7.24	5.90
November	8.29	6.70
December	8.10	6.52
<b>2010</b>		
January	8.00	6.65
February	7.94	6.30
March	7.63	6.82
April	7.70	6.50
May	6.80	5.83
June	7.36	6.13
July	7.23	6.65
August	6.98	6.24
September	8.01	6.65
October (up to and including the Latest Practicable Date)	8.25	7.29

**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 Tuesday, 23 November 2010 at 11:15 am (or so soon thereafter as the extraordinary general meeting of the Company convened for the same date and place at 11:00 am shall have been concluded) for the following purposes:

1. To receive and consider the audited financial statements for the year ended 30 June 2010, the Report of the Directors and the Independent Auditor’s Report.
2. To declare a final dividend.
3. To re-elect the retiring 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 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 (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;
- (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

## NOTICE OF ANNUAL GENERAL MEETING

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.

“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



## NOTICE OF ANNUAL GENERAL MEETING

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% 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.”

- (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 of the Company 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 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 the Meeting, provided that such extended amount shall not exceed 10% of

## NOTICE OF ANNUAL GENERAL MEETING

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  
**Wu Yuk-kwai, Catherine**  
*Company Secretary*

Hong Kong, 25 October 2010

*Notes:*

1. The register of members of the Company will be closed from Thursday, 18 November 2010 to Tuesday, 23 November 2010, both days inclusive, during which period no transfers of share of the Company will be registered. In order to establish entitlements to the proposed final dividend and identity of shareholders who are entitled to attend and vote at the about meeting, all transfers of shares of the Company accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Hong Kong branch share registrar and transfer office of the Company at Tricor Investor Services Limited of 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 pm on Wednesday, 17 November 2010.
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 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(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.
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 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 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, Dr. Cheng Kar-shun, Henry, Mr. Cheng Chi-kong, Adrian, Mr. Au Tak-cheong and Ms. Ngan Man-ying, Lynda will retire as directors of the Company at the 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 25 October 2010.
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.