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新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Tenancy Framework Agreement dated 28 November 2011, details of which were disclosed in the announcement of the Company dated 28 November 2011.

Taking into account the estimated increase in rental upon the renewal of the existing Definitive Agreements and the rentals under the new Definitive Agreements to be entered into between members of the Group and members of the CTFJ Group, the Directors consider that the Original Annual Caps in respect of the two years ending 30 June 2014 will be insufficient.

Pursuant to the Listing Rules, if the Company proposes to revise the annual cap for a continuing connected transaction, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant connected transaction.

CTFJ is a fellow subsidiary of CTFE which is a substantial shareholder of the Company. CTFJ is therefore a connected person of the Company and the Revision of Annual Caps constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) (other than the profits ratio) for the Revised Annual Caps are less than 5% and the Revised Annual Caps exceed HK\$1,000,000, the Revision of Annual Caps is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules.

BACKGROUND

Reference is made to the Tenancy Framework Agreement dated 28 November 2011, details of which were disclosed in the announcement of the Company dated 28 November 2011.

REVISION OF ANNUAL CAPS UNDER THE TENANCY FRAMEWORK AGREEMENT

On 28 November 2011, the Tenancy Framework Agreement was entered into between the Company and CTFJ, pursuant to which members of the Group and members of the CTFJ Group may from time to time enter into Definitive Agreement(s) in relation to any Transactions upon, and subject to, the terms and conditions in compliance with the Tenancy Framework Agreement.

Taking into account the estimated increase in rental upon the renewal of the existing Definitive Agreements and the rentals under the new Definitive Agreements to be entered into between members of the Group and members of the CTFJ Group, the Directors consider that the Original Annual Caps in respect of the two years ending 30 June 2014 will be insufficient.

The Directors have therefore revised the Original Annual Caps for the two years ending 30 June 2014 as follows:

Original Annual Cap for the year ending 30 June 2013	Original Annual Cap for the year ending 30 June 2014	Revised Annual Cap for the year ending 30 June 2013	Revised Annual Cap for the year ending 30 June 2014
HK\$ (million)	HK\$ (million)	HK\$ (million)	HK\$ (million)
75	86	99	120

The Revised Annual Caps have been estimated by the Company based on the relevant historical figures, taking into account of the inflation factor and adjustments for potential increase in rental and other charges in connection with the existing Definitive Agreements and to cater for any other changes in the terms and/or rental and/or other charges and/or size of the premises in connection with any lease and tenancy arrangements and/or the entering into any new lease or tenancy arrangements in respect of other premises owned by the Group in the future.

The historical transaction amount in respect of the Transactions for the period from 28 November 2011 to 31 December 2011 was approximately HK\$5.6 million. The Directors confirm that the transaction amounts under the Tenancy Framework Agreement for the period from 1 January 2012 to the date of this announcement comply with the relevant Original Annual Cap.

GENERAL

The Group is principally engaged in property, infrastructure, hotel operation, department store operation, services, as well as telecommunications and technology businesses.

To the best knowledge of the Directors, CTFJ is one of the largest jewellers in Hong Kong, Macau and the People's Republic of China by market share with an extensive retail network of over 1,500 points of sale. Its principal products are mass luxury and high-end luxury jewellery products, including gem-set jewellery, platinum/karat gold products, gold products and watches.

The Directors, including the independent non-executive Directors, consider that the Revision of Annual Caps is fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in the Revision of Annual Caps. However, Dr. Cheng Kar-Shun, Henry who was present at the meeting of the executive committee of the board of Directors voluntarily abstained from voting on the relevant board resolutions. Mr. Cheng Chi-Kong, Adrian, Mr. Cheng Chi-Heng and Ms. Cheng Chi-Man, Sonia were not present at that meeting and therefore did not vote on the relevant board resolution. An independent board committee comprising five independent non-executive Directors, namely, Mr. Yeung Ping-Leung, Howard, Dr. Cha Mou-Sing, Payson, Mr. Ho Hau-Hay, Hamilton, Mr. Lee Luen-Wai, John and Mr. Liang Cheung-Biu, Thomas, was formed to review and approve the Revision of Annual Caps.

LISTING RULES IMPLICATIONS

Pursuant to the Listing Rules, if the Company proposes to revise the annual cap for a continuing connected transaction, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant connected transaction.

CTFJ is a fellow subsidiary of CTFE which is a substantial shareholder of the Company. CTFJ is therefore a connected person of the Company and the Revision of Annual Caps constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) (other than the profits ratio) for the Revised Annual Caps are less than 5% and the Revised Annual Caps exceed HK\$1,000,000, the Revision of Annual Caps is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this announcement shall have the following meanings:

"Company"	New World Development Company Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange
"connected person"	has the meaning ascribed to it under the Listing Rules
"CTFE"	Chow Tai Fook Enterprises Limited, a substantial shareholder of the Company and a fellow subsidiary of CTFJ as at the date of this announcement
"CTFJ"	Chow Tai Fook Jewellery Group Limited, an exempted company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange
"CTFJ Group"	CTFJ and its subsidiaries from time to time
"Definitive Agreement(s)"	definitive agreement(s) which may be entered into between any member(s) of the Group and any member(s) of the CTFJ Group from time to time in relation to the Transactions at any time during the term of the Tenancy Framework Agreement
"Director(s)"	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 People's Republic of China

"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Original Annual Caps"	the annual cap amounts in respect of the Transactions as disclosed in the announcement of the Company dated 28 November 2011
"Revised Annual Caps"	the revised annual cap amounts in respect of the Transactions for each of the two years ending 30 June 2014 as set out on page 2 of this announcement
"Revision of Annual Caps"	the revision of the Original Annual Caps for each of the two years ending 30 June 2014, respectively
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Tenancy Framework Agreement"	the framework agreement in relation to the Transactions entered into between the Company and CTFJ on 28 November 2011
"Transactions"	all existing and future transactions between members of the Group and members of the CTFJ Group arising from leases or tenancy agreements between members of the Group as landlord and members of the CTFJ Group as tenant agreed to be undertaken under the Tenancy Framework Agreement
"%"	per cent.

By order of the board
Wong Man-Hoi
Company Secretary

Hong Kong, 15 June 2012

As at the date of this announcement, the board of the Company comprises (a) six executive Directors, namely Dr. Cheng Kar-Shun, Henry, Mr. Cheng Chi-Kong, Adrian, Mr. Chen Guanzhan, Ms. Ki Man-Fung, Leonie, Mr. Cheng Chi-Heng and Ms. Cheng Chi-Man, Sonia; (b) two non-executive Directors, namely Mr. Liang Chong-Hou, David and Mr. Cheng Kar-Shing, Peter; and (iii) five independent non-executive Directors, namely Mr. Yeung Ping-Leung, Howard, Dr. Cha Mou-Sing, Payson (alternate director to Dr. Cha Mou-Sing, Payson: Mr. Cha Mou-Zing, Victor), Mr. Ho Hau-Hay, Hamilton, Mr. Lee Luen-Wai, John and Mr. Liang Cheung-Biu, Thomas.