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CONTINUING CONNECTED TRANSACTIONS
MASTER CONCESSIONAIRE COUNTER AGREEMENT
AND
MASTER SALES AGREEMENT

On 22 March 2012, NWDS and CTFJ entered into the Master Concessionaire Counter Agreement in relation to the Concessionaire Transactions.

On the same day, NWDS, NWD and CTFJ entered into the Master Sales Agreement in relation to the Sales Transactions.

NWD is a substantial shareholder of NWDS and hence a connected person of NWDS. CTFJ is a fellow subsidiary of CTFE which is a substantial shareholder of NWD. CTFJ is therefore a connected person of NWD and also considered to be a connected person of NWDS and the Concessionaire Transactions and the relevant Sales Transactions constitute continuing connected transactions of each of NWD and NWDS under Chapter 14A of the Listing Rules.

CTFH is a substantial shareholder of CTFJ. Each of NWD and NWDS is an associate of CTFH and therefore a connected person of CTFJ. The Concessionaire Transactions and the relevant Sales Transactions also constitute continuing connected transactions of CTFJ under Chapter 14A of the Listing Rules.

As one of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Concessionaire Transactions is more than 5% so far as NWDS is concerned and the NWDS Concessionaire Annual Caps exceed HK\$10,000,000, the Master Concessionaire Counter Agreement is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules for NWDS.

As all the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Concessionaire Transactions are less than 5% so far as each of NWD and CTFJ is concerned and each of the NWD Concessionaire Annual Caps and the CTFJ Concessionaire Annual Caps exceed HK\$1,000,000, the Master Concessionaire Counter Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules for each of NWD and CTFJ.

As all the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Sales Transactions are less than 5% for each of NWDS, NWD and CTFJ and each of the Sales Annual Caps exceed HK\$1,000,000, the Master Sales Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules for each of NWDS, NWD and CTFJ.

NWDS will convene the EGM for the purpose of seeking approval from the Independent NWDS Shareholders on the Master Concessionaire Counter Agreement, the Concessionaire Transactions and the NWDS Concessionaire Annual Caps. The Independent NWDS Board Committee has been established to consider the terms of the Master Concessionaire Counter Agreement, the Concessionaire Transactions and the NWDS Concessionaire Annual Caps, and to advise the Independent NWDS Shareholders as to whether the Master Concessionaire Counter Agreement, the Concessionaire Transactions and the NWDS Concessionaire Annual Caps are in the interests of NWDS and the NWDS Shareholders as a whole. An independent financial adviser has been appointed to advise the Independent NWDS Board Committee and the Independent NWDS Shareholders in this regard.

A circular of NWDS containing, amongst others, further information on (i) the Master Concessionaire Counter Agreement, the Concessionaire Transactions and the NWDS Concessionaire Annual Caps; (ii) a letter of recommendation from the Independent NWDS Board Committee to the Independent NWDS Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent NWDS Board Committee and the Independent NWDS Shareholders; and (iv) the notice of the EGM, is expected to be despatched to the NWDS Shareholders on or before 11 April 2012.

INTRODUCTION

On 22 March 2012, NWDS and CTFJ entered into the Master Concessionaire Counter Agreement in relation to the Concessionaire Transactions.

On the same day, NWDS, NWD and CTFJ entered into the Master Sales Agreement in relation to the Sales Transactions.

The principal terms of the Master Concessionaire Counter Agreement and the Master Sales Agreement are set out below.

THE MASTER CONCESSIONAIRE COUNTER AGREEMENT

Background

Members of the NWDS Group had in the past and is expected from time to time to enter into concessionaire arrangements or rental agreements with members of the CTFJ Group in relation to retailing counters for the sale of jewellery products and watches by the CTFJ Group at properties in the PRC owned by, or leased to, the NWDS Group or at which the NWDS Group operates its business in accordance with the Former Master Concessionaire Counter Agreement. The NWDS Group and the CTFJ Group wish to continue the concessionaire arrangements or rental agreements and may from time to time enter into new concessionaire arrangements or rental agreements in relation to the Concessionaire Transactions. Accordingly, NWDS and CTFJ (on behalf of CTFJ Company in respect of the termination of the Former Master Concessionaire Counter Agreement) agree to terminate the Former Master Concessionaire Counter Agreement and enter into the Master Concessionaire Counter Agreement.

Date

22 March 2012

Parties

- (1) NWDS
- (2) CTFJ

General terms for the Concessionaire Transactions

Members of the NWDS Group and the CTFJ Group may from time to time enter into Definitive Concessionaire Agreement(s) in relation to any Concessionaire Transactions upon, and subject to, the terms and conditions in compliance with the Master Concessionaire Counter Agreement as may be agreed between the relevant members of the NWDS Group and the CTFJ Group. All existing agreements between the relevant members of the NWDS Group and the CTFJ Group in respect of the Concessionaire Transactions (to the extent which covers the Concessionaire Transactions after the Concessionaire Effective Date) will be treated as Definitive Concessionaire Agreements made pursuant to the Master Concessionaire Counter Agreement as from the Concessionaire Effective Date. The Former Master Concessionaire Counter Agreement shall be terminated immediately upon the Master Concessionaire Counter Agreement becoming effective on the Concessionaire Effective Date.

With effect from the Concessionaire Effective Date, the Concessionaire Transactions shall be conducted:

- (a) in the usual and ordinary course of business of NWDS and CTFJ;
- (b) on normal commercial terms; and

- (c) in compliance with all applicable provisions of the Listing Rules (including the Concessionaire Annual Caps), the applicable laws, the Master Concessionaire Counter Agreement and the relevant Definitive Concessionaire Agreement.

Conditionality

The Master Concessionaire Counter Agreement is conditional upon the approval by the Independent NWDS Shareholders of the Master Concessionaire Counter Agreement, the Concessionaire Transactions and the NWDS Concessionaire Annual Caps at the EGM.

Duration

The Master Concessionaire Counter Agreement shall commence on the Concessionaire Effective Date, and shall continue up to and including 30 June 2014, unless terminated earlier in accordance with the Master Concessionaire Counter Agreement. Subject to compliance with the then relevant requirements of the rules of any stock exchange to which either party to the Master Concessionaire Counter Agreement is subject to, including, but not limited to, the Listing Rules or, alternatively, any waivers obtained from strict compliance with such requirements, upon expiration of the initial term or subsequent renewal term, the Master Concessionaire Counter Agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with the Master Concessionaire Counter Agreement.

Historical figures and the Concessionaire Annual Caps

NWDS and NWD

The aggregate transaction amounts payable by the CTFJ Group to the NWDS Group (as subsidiaries of NWD) under the Former Master Concessionaire Counter Agreement for each of the two years ended 30 June 2011 and the six months ended 31 December 2011 were approximately RMB16,115,000, RMB59,891,000 and RMB41,421,000, respectively.

Each of the NWDS Concessionaire Annual Caps and the NWD Concessionaire Annual Caps for each of the three years ending 30 June 2014 are RMB133,775,000, RMB214,853,000 and RMB305,150,000, respectively.

CTFJ

The aggregate transaction amounts payable by the CTFJ Group to the NWDS Group under the Former Master Concessionaire Counter Agreement for each of the two years ended 31 March 2011 and the six months ended 30 September 2011 were approximately HK\$53,565,000, HK\$73,282,000 and HK\$50,237,000, respectively.

The CTFJ Concessionaire Annual Caps for each of the three years ending 31 March 2014 are HK\$139,000,000, HK\$245,000,000 and HK\$370,000,000, respectively.

General

The Concessionaire Annual Caps have been determined based on the terms of the existing concessionaire counter agreements, the historical transaction amounts under the Former Master Concessionaire Counter Agreement, the expected increase of sales of each of the concessionaire counters of the CTFJ Group along with the additional floor space and the number of new concessionaire counters which members of the CTFJ Group might enter into with members of the NWDS Group.

Reasons for and benefits of entering into the Master Concessionaire Counter Agreement

CTFJ is one of the largest jewellers in Hong Kong, Macau and the PRC by market share with a heritage of over 80 years. The NWDS Directors believe that including CTFJ as one of the concessionaire counters in the Stores enhances NWDS' brand and product mix and raises the image and profile of such Stores. As NWDS is a subsidiary of NWD, the NWD Directors believe that NWD and its subsidiaries will also benefit as a result of NWDS' entering into the Master Concessionaire Counter Agreement.

NWDS has an extensive network of reputable department stores at prime shopping districts in the Greater China region. The CTFJ Directors believe that concessionaire counters at the Stores enjoy high foot traffic and will be able to attract customers and enhance sales.

The NWDS Directors (excluding the independent non-executive NWDS Directors who will provide their views after considering the opinion of the independent financial adviser) consider that the terms of the Master Concessionaire Counter Agreement have been negotiated on an arm's length basis and on normal commercial terms and are fair and reasonable and in the interests of the NWDS Group and the NWDS Shareholders as a whole and that the NWDS Concessionaire Annual Caps are fair and reasonable and in the interests of the NWDS Group and the NWDS Shareholders as a whole.

The NWD Directors consider that the terms of the Master Concessionaire Counter Agreement have been negotiated on an arm's length basis and on normal commercial terms and are fair and reasonable and in the interests of the NWD Group, the NWDS Group and the NWD Shareholders as a whole and that the NWD Concessionaire Annual Caps are fair and reasonable and in the interests of the NWD Group, the NWDS Group and the NWD Shareholders as a whole.

The CTFJ Directors consider that the terms of the Master Concessionaire Counter Agreement have been negotiated on an arm's length basis and on normal commercial terms and are fair and reasonable and in the interests of the CTFJ Group and the CTFJ Shareholders as a whole and that the CTFJ Concessionaire Annual Caps are fair and reasonable and in the interests of the CTFJ Group and the CTFJ Shareholders as a whole.

THE MASTER SALES AGREEMENT

Background

Members of the NWDS Group had in the past entered into certain sales agreements with members of the NWD Group and/or members of the CTFJ Group in respect of the use of the Shopping Vouchers, the Prepaid Shopping Cards, the Joint Name Vouchers or other means

acceptable to the NWDS Group as payment of purchases of goods at the Stores and the settlement of the relevant value represented by such Shopping Vouchers (with the Shopping Vouchers Commissions and Rebates), the Prepaid Shopping Cards (with the Discounts, where applicable), the Joint Name Vouchers (with the Joint Name Vouchers Commissions) or by any other means acceptable to the NWDS Group among relevant members of the NWDS Group, the NWD Group or the CTFJ Group in accordance with the Former Master Sales Agreement and certain of the sales agreements have not expired as at the date of the Master Sales Agreement. The NWDS Group, the NWD Group and the CTFJ Group wish to continue the sales agreements and may from time to time enter into new sales agreements in respect of the Sales Transactions. Accordingly, NWDS, NWD and CTFJ (on behalf of CTFJ Company in respect of the termination of the Former Master Sales Agreement) agree to terminate the Former Master Sales Agreement and enter into the Master Sales Agreement.

Date

22 March 2012

Parties

- (1) NWDS
- (2) NWD
- (3) CTFJ

General terms for the Sales Transactions

Relevant members of the NWDS Group may from time to time enter into Definitive Sales Agreement(s) with relevant members of the NWD Group and/or relevant members of the CTFJ Group in relation to any Sales Transactions upon, and subject to, the terms and conditions in compliance with the Master Sales Agreement as may be agreed between relevant members of the NWDS Group, relevant members of the NWD Group and/or relevant members of the CTFJ Group. All existing agreements between relevant members of the NWDS Group, relevant members of the NWD Group and/or relevant members of the CTFJ Group in respect of the Sales Transactions (to the extent which covers the Sales Transactions after the Sales Effective Date) will be treated as Definitive Sales Agreements made pursuant to the Master Sales Agreement as from the Sales Effective Date. The Former Master Sales Agreement shall be terminated immediately upon Master Sales Agreement becoming effective on the Sales Effective Date.

With effect from the Sales Effective Date, the Sales Transactions shall be conducted:

- (a) in the usual and ordinary course of business of NWDS, NWD and CTFJ, as the case may be;
- (b) on normal commercial terms; and

- (c) in compliance with all applicable provisions of the Listing Rules (including the Sales Annual Caps), the applicable laws, the Master Sales Agreement and the relevant Definitive Sales Agreement.

Duration

The Master Sales Agreement shall commence on the Sales Effective Date, and shall continue up to and including 30 June 2014, unless terminated earlier in accordance with the Master Sales Agreement. Subject to compliance with the then relevant requirements of the rules of any stock exchange to which any of the parties to the Master Sales Agreement is subject to, including, but not limited to, the Listing Rules or, alternatively, any waivers obtained from strict compliance with such requirements, upon expiration of the initial term or subsequent renewal term, the Master Sales Agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with the Master Sales Agreement.

Historical figures and the Sales Annual Caps

The term of the Former Master Sales Agreement commenced from 22 March 2011 and it was terminated on 22 March 2012 upon the Master Sales Agreement becoming effective on the Sales Effective Date.

NWDS

The aggregate transaction amounts payable by (i) the CTFJ Group to the NWDS Group; (ii) the NWDS Group to the CTFJ Group; and (iii) the NWD Group to the NWDS Group under the Former Master Sales Agreement for the year ended 30 June 2011 and the six months ended 31 December 2011 were approximately RMB6,210,000 and RMB11,531,000, respectively.

The NWDS Sales Annual Caps for each of the three years ending 30 June 2014 are RMB78,417,000, RMB82,058,000 and RMB95,680,000, respectively.

NWD

The aggregate transaction amounts payable by (i) the CTFJ Group to the NWD Group and the NWDS Group; and (ii) the NWDS Group to the CTFJ Group under the Former Master Sales Agreement for the year ended 30 June 2011 and the six months ended 31 December 2011 were approximately RMB1,179,000 and RMB5,490,000, respectively.

The NWD Sales Annual Caps for each of the three years ending 30 June 2014 are RMB55,509,000, RMB56,686,000 and RMB67,835,000, respectively.

CTFJ

The aggregate transaction amounts payable by (i) the CTFJ Group to the NWD Group and the NWDS Group; and (ii) the NWDS Group to the CTFJ Group under the Former Master Sales Agreement for the year ended 31 March 2011 and the six months ended 30 September 2011 were approximately HK\$1,636,000 and HK\$4,610,000, respectively.

The CTFJ Sales Annual Caps for each of the three years ending 31 March 2014 are approximately HK\$31,000,000, HK\$60,000,000 and HK\$85,000,000, respectively.

General

The Sales Annual Caps have been determined based on historical transaction amounts under the Former Master Sales Agreement, the expected values of the Prepaid Shopping Cards to be purchased by the NWD Group and the CTFJ Group, the Shopping Vouchers to be provided by the NWD Group and the Joint Name Vouchers to be purchased by the customers by reference to the estimated marketing expenses to be incurred by the NWD Group and the CTFJ Group for purchase of the Prepaid Shopping Cards, issue of the Shopping Vouchers and sale of the Joint Name Vouchers respectively as part of the marketing plan for the sale of their products, the prevailing market conditions and the estimated expansion of existing and future projects of members of the NWD Group and the CTFJ Group.

Reasons for and benefits of entering into the Master Sales Agreement

The NWDS Directors believe that the entering into of the Master Sales Agreement would bring more customers to and enhance the sales of the Stores. As NWDS is a subsidiary of NWD, the NWD Directors believe that NWD and its subsidiaries will also benefit as a result of NWDS entering into the Master Sales Agreement.

The CTFJ Directors believe that the entering into of the Master Sales Agreement would encourage customer spending and promote sales at the concessionaire counters of the CTFJ Group in the Stores.

The NWDS Directors consider that the terms of the Master Sales Agreement have been negotiated on an arm's length basis and on normal commercial terms and are fair and reasonable and in the interests of the NWDS Group and the NWDS Shareholders as a whole and that the NWDS Sales Annual Caps are fair and reasonable and in the interests of the NWDS Group and the NWDS Shareholders as a whole.

The NWD Directors consider that the terms of the Master Sales Agreement have been negotiated on an arm's length basis and on normal commercial terms and are fair and reasonable and in the interests of the NWD Group, the NWDS Group and the NWD Shareholders as a whole and that the NWD Sales Annual Caps are fair and reasonable and in the interests of the NWD Group, the NWDS Group and the NWD Shareholders as a whole.

The CTFJ Directors consider that the terms of the Master Sales Agreement have been negotiated on an arm's length basis and on normal commercial terms and are fair and reasonable and in the interests of the CTFJ Group and the CTFJ Shareholders as a whole and that the CTFJ Sales Annual Caps are fair and reasonable and in the interests of the CTFJ Group and the CTFJ Shareholders as a whole.

INFORMATION ON THE NWDS GROUP, NWD AND ITS SUBSIDIARIES AND THE CTFJ GROUP

The NWDS Group is principally engaged in the business of operating department stores in the PRC.

The principal businesses of NWD and its subsidiaries include property, infrastructure, hotel operation, department store operation, services, as well as telecommunications and technology.

CTFJ is one of the largest jewellers in Hong Kong, Macau and the PRC 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.

LISTING RULES IMPLICATIONS

NWD is a substantial shareholder of NWDS and hence a connected person of NWDS. CTFJ is a fellow subsidiary of CTFE which is a substantial shareholder of NWD. CTFJ is therefore a connected person of NWD and also considered to be a connected person of NWDS and the Concessionaire Transactions and the relevant Sales Transactions constitute continuing connected transactions of each of NWD and NWDS under Chapter 14A of the Listing Rules.

CTFH is a substantial shareholder of CTFJ. Each of NWD and NWDS is an associate of CTFH and therefore a connected person of CTFJ. The Concessionaire Transactions and the relevant Sales Transactions also constitute continuing connected transactions of CTFJ under Chapter 14A of the Listing Rules.

As one of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Concessionaire Transactions is more than 5% so far as NWDS is concerned and the NWDS Concessionaire Annual Caps exceed HK\$10,000,000, the Master Concessionaire Counter Agreement is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules for NWDS.

As all the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Concessionaire Transactions are less than 5% so far as each of NWD and CTFJ is concerned and each of the NWD Concessionaire Annual Caps and the CTFJ Concessionaire Annual Caps exceed HK\$1,000,000, the Master Concessionaire Counter Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules for each of NWD and CTFJ.

As all the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Sales Transactions are less than 5% for each of NWDS, NWD and CTFJ and each of the Sales Annual Caps exceed HK\$1,000,000, the Master Sales Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules for each of NWDS, NWD and CTFJ.

APPROVAL BY THE BOARD OF NWDS DIRECTORS

Master Concessionaire Counter Agreement

None of the NWDS Directors has a material interest in the Master Concessionaire Counter Agreement. Dr. Cheng Kar-shun, Henry and Mr. Cheng Chi-kong, Adrian are common directors of NWDS, NWD and CTFJ and they voluntarily abstained from voting on the relevant board resolutions.

Master Sales Agreement

None of the NWDS Directors has a material interest in the Master Sales Agreement. Dr. Cheng Kar-shun, Henry and Mr. Cheng Chi-kong, Adrian are common directors of NWDS, NWD and CTFJ. It was stated in the prospectus of NWDS dated 28 June 2007 that three of the NWDS Directors, Dr. Cheng Kar-shun, Henry, Mr. Cheng Chi-kong, Adrian and Ms. Ngan Man-ying, Lynda (who are also the executive directors of NWCL, a member of the NWD Group and Ms. Ngan Man-ying, Lynda holds directorships in certain companies controlled by NWDS) will abstain from voting in the resolution(s) relating to transactions(s) between the NWDS Group and the NWCL Group. As the NWD Group includes members of the NWCL Group, Dr. Cheng Kar-shun, Henry, Mr. Cheng Chi-kong, Adrian and Ms. Ngan Man-ying, Lynda have abstained from voting on the relevant board resolutions. Other than Dr. Cheng Kar-shun, Henry, Mr. Cheng Chi-kong, Adrian and Ms. Ngan Man-ying, Lynda, none of the NWDS Directors is required to abstain from voting on the relevant board resolutions.

APPROVAL BY THE BOARD OF NWD DIRECTORS

None of the NWD Directors has a material interest in the Master Concessionaire Counter Agreement or the Master Sales Agreement. Dr. Cheng Kar-shun, Henry and Mr. Cheng Chi-kong, Adrian are common directors of NWD, NWDS and CTFJ, and Mr. Cheng Chi-heng is common director of NWD and CTFJ. Dr. Cheng Kar-shun, Henry who was present at the meeting of the executive committee of the board of NWD Directors voluntarily abstained from voting on the relevant board resolutions. Mr. Cheng Chi-kong, Adrian, Mr. Cheng Chi-heng and Miss Cheng Chi-man, Sonia were not present at that meeting and therefore did not vote on the relevant board resolutions. An independent board committee comprising five independent non-executive NWD 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, has been formed to review and approve the Master Concessionaire Counter Agreement, the Concessionaire Transactions, the NWD Concessionaire Annual Caps, the Master Sales Agreement, the Sales Transactions and the NWD Sales Annual Caps.

APPROVAL BY THE BOARD OF CTFJ DIRECTORS

None of the CTFJ Directors has a material interest in the Master Concessionaire Counter Agreement or the Master Sales Agreement. Dr. Cheng Kar-shun, Henry and Mr. Cheng Chi-kong, Adrian are common directors of NWD, NWDS and CTFJ, and Mr. Cheng Chi-heng, Conroy is a common director of NWD and CTFJ. All three CTFJ Directors mentioned above voluntarily abstained from voting on the relevant board resolutions.

GENERAL

NWDS will convene the EGM for the purpose of seeking approval from the Independent NWDS Shareholders on the Master Concessionaire Counter Agreement, the Concessionaire Transactions and the NWDS Concessionaire Annual Caps. The Independent NWDS Board Committee has been established to consider the terms of the Master Concessionaire Counter Agreement, the Concessionaire Transactions and the NWDS Concessionaire Annual Caps, and to advise the Independent NWDS Shareholders as to whether the Master Concessionaire Counter Agreement, the Concessionaire Transactions and the NWDS Concessionaire Annual Caps are in the interests of NWDS and the NWDS Shareholders as a whole. An independent financial adviser has been appointed to advise the Independent NWDS Board Committee and the Independent NWDS Shareholders in this regard.

A circular of NWDS containing, amongst others, further information on (i) the Master Concessionaire Counter Agreement, the Concessionaire Transactions and the NWDS Concessionaire Annual Caps; (ii) a letter of recommendation from the Independent NWDS Board Committee to the Independent NWDS Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent NWDS Board Committee and the Independent NWDS Shareholders; and (iv) the notice of the EGM, is expected to be despatched to the NWDS Shareholders on or before 11 April 2012.

DEFINITIONS

The following terms have the following meanings in this announcement, unless the context otherwise requires:

“associate”		has the meaning ascribed to it under the Listing Rules
“Concessionaire Caps”	Annual	the NWDS Concessionaire Annual Caps, the NWD Concessionaire Annual Caps and the CTFJ Concessionaire Annual Caps
“Concessionaire Date”	Effective	the date on which the Master Concessionaire Counter Agreement becomes unconditional pursuant to the terms thereof and as set out in the sub-paragraph headed “Conditionality” under the paragraph headed “The Master Concessionaire Counter Agreement” in this announcement
“Concessionaire Transactions”		all existing and future transactions between members of the NWDS Group and members of the CTFJ Group arising from the concessionaire arrangements or rental agreements in respect of retailing counters for the sale of jewellery products and watches by the CTFJ Group at properties in the PRC owned by, or leased to, the NWDS Group or at which the NWDS Group operates its business, as contemplated under the Master Concessionaire Counter Agreement
“connected person(s)”		has the meaning ascribed to it under the Listing Rules

“CTFE”		Chow Tai Fook Enterprises Limited, a substantial shareholder of NWD and a fellow subsidiary of CTFJ as at the date of this announcement
“CTFH”		Chow Tai Fook (Holding) Limited, a company incorporated in the British Virgin Islands, the holding company of CTFE and a substantial shareholder of CTFJ as at the date of this announcement
“CTFJ”		Chow Tai Fook Jewellery Group 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
“CTFJ Company”		Chow Tai Fook Jewellery Company Limited, an indirect wholly-owned subsidiary of CTFJ as at the date of this announcement
“CTFJ Concessionaire Annual Caps”		the annual or periodic cap amounts payable by the CTFJ Group to the NWDS Group in respect of the Concessionaire Transactions for each of the three years ending 31 March 2014
“CTFJ Directors”		the directors of CTFJ
“CTFJ Group”		CTFJ and its subsidiaries from time to time
“CTFJ Sales Annual Caps”		the annual or periodic cap amounts payable by (i) the CTFJ Group to the NWD Group and the NWDS Group; and (ii) the NWDS Group to the CTFJ Group in respect of the relevant Sales Transactions for each of the three years ending 31 March 2014
“CTFJ Shareholders”		shareholders of CTFJ
“Definitive Concessionaire Agreement(s)”		definitive agreement(s) which may be entered into between any member(s) of the NWDS Group and any member(s) of the CTFJ Group from time to time in relation to any of the Concessionaire Transactions at any time during the term of the Master Concessionaire Counter Agreement
“Definitive Sales Agreement(s)”		definitive agreement(s) which may be entered into between any member(s) of the NWDS Group, any member(s) of the NWD Group and/or any member(s) of the CTFJ Group from time to time in relation to any of the Sales Transactions at any time during the term of the Master Sales Agreement

“Discounts”		an amount to be deducted from the value to be settled by the relevant members of the NWD Group in respect of the purchases of the Prepaid Shopping Cards by the relevant members of the NWD Group or any other means acceptable to the NWDS Group as payment for purchases of goods at the Stores, being 2% of such value
“EGM”		an extraordinary general meeting of NWDS to be held to consider and, if thought fit, approve the Master Concessionaire Counter Agreement, the Concessionaire Transactions and the NWDS Concessionaire Annual Caps
“Former Concessionaire Agreement”	Master Counter	the master concessionaire counter agreement dated 22 May 2009 entered into between NWDS and CTFJ Company, details of which were disclosed in the joint announcement of NWDS and NWD dated 22 May 2009
“Former Agreement”	Master Sales	the master sales agreement dated 22 March 2011 entered into among NWDS, NWD and CTFJ Company, details of which were disclosed in the announcement of NWDS dated 22 March 2011
“HK\$”		Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”		the Hong Kong Special Administrative Region of the PRC
“Independent Committee”	NWDS Board	an independent committee of the board of NWDS Directors, comprising all of the independent non-executive NWDS Directors
“Independent Shareholders”	NWDS	the NWDS Shareholders
“Joint Name Vouchers”		various joint name cards and/or joint name vouchers issued or to be issued by the CTFJ Group and/or the NWDS Group which may be presented for purchasing goods at the floor space where the CTFJ Group operates its business at the Stores
“Joint Name Commissions”	Vouchers	an amount, being a percentage as agreed under the relevant Definitive Sales Agreement, to be offered by the relevant members of the CTFJ Group to the relevant members of the NWDS Group in respect of the purchases of the Joint Name Vouchers by the customers at the Stores or any other means acceptable to the NWDS Group at the Stores as payment for purchases of goods

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Master Concessionaire Counter Agreement”	the agreement in relation to the Concessionaire Transactions entered into between NWDS and CTFJ on 22 March 2012
“Master Sales Agreement”	the agreement in relation to the Sales Transactions entered into among NWDS, NWD and CTFJ on 22 March 2012
“NWCL”	New World China Land 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 and is a subsidiary of NWD as at the date of this announcement
“NWCL Group”	NWCL and its subsidiaries from time to time
“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 holding company of NWCL and NWDS as at the date of this announcement
“NWD Concessionaire Annual Caps”	the annual cap amounts payable by the CTFJ Group to the NWDS Group (as subsidiaries of NWD) in respect of the Concessionaire Transactions for each of the three years ending 30 June 2014
“NWD Directors”	the directors of NWD
“NWD Group”	NWD and its subsidiaries (other than the NWDS Group) from time to time
“NWD Sales Annual Caps”	the annual cap amounts payable by (i) the CTFJ Group to the NWD Group and the NWDS Group; and (ii) the NWDS Group to the CTFJ Group in respect of the relevant Sales Transactions for each of the three years ending 30 June 2014
“NWD Shareholders”	shareholders of NWD

“NWDS”	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, and is a subsidiary of NWD as at the date of this announcement
“NWDS Concessionaire Annual Caps”	the annual cap amounts payable by the CTFJ Group to the NWDS Group in respect of the Concessionaire Transactions for each of the three years ending 30 June 2014
“NWDS Directors”	the directors of NWDS
“NWDS Group”	NWDS and its subsidiaries from time to time
“NWDS Sales Annual Caps”	the annual cap amounts payable by (i) the NWD Group to the NWDS Group; (ii) the NWDS Group to the CTFJ Group; and (iii) the CTFJ Group to the NWDS Group in respect of the relevant Sales Transactions for each of the three years ending 30 June 2014
“NWDS Shareholders”	shareholders of NWDS
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Prepaid Shopping Cards”	various prepaid shopping cards issued or to be issued by the NWDS Group to the NWD Group and/or the CTFJ Group which may be presented at the Stores for purchasing goods at the Stores
“Rebates”	an amount, being a percentage as agreed under the relevant Definitive Sales Agreement, to be offered by members of the NWDS Group to members of the CTFJ Group in respect of the purchases of goods by customers at the floor space where the CTFJ Group operates its business at the Stores by means of presenting the Shopping Vouchers or by any other means as agreed for such purchases
“RMB”	Renminbi, the lawful currency of the PRC
“Sales Annual Caps”	the NWDS Sales Annual Caps, the NWD Sales Annual Caps and the CTFJ Sales Annual Caps

“Sales Effective Date”	22 March 2012
“Sales Transactions”	all existing and future transactions between members of the NWDS Group, members of the NWD Group and/or members of the CTFJ Group in respect of the use of the Shopping Vouchers, the Prepaid Shopping Cards, the Joint Name Vouchers or other means acceptable to the NWDS Group as payment of purchases of goods at the Stores and the settlement of the relevant value represented by such Shopping Vouchers (with the Shopping Vouchers Commissions and Rebates), the Prepaid Shopping Cards (with the Discounts, where applicable), the Joint Name Vouchers (with the Joint Name Vouchers Commissions) or by any other means acceptable to the NWDS Group among relevant members of the NWDS Group, the NWD Group or the CTFJ Group, as contemplated under the Master Sales Agreement
“Shopping Vouchers”	various cash equivalent gift coupons, gift cards and stored value shopping cards issued or to be issued by the NWD Group which may be presented at the Stores for purchasing goods at the Stores
“Shopping Commissions”	Vouchers an amount, being a percentage as agreed under the relevant Definitive Sales Agreement, to be offered by the relevant members of the CTFJ Group to the relevant members of the NWD Group in respect of the purchases of goods by customers at the floor space where the CTFJ Group operates its business at the Stores by means of presenting the Shopping Vouchers or by any other means as agreed for such purchases
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Stores”	the department stores owned by the NWDS Group from time to time
“subsidiary”	has the meaning ascribed to it under the Companies Ordinance (Chapter 32 of the laws of Hong Kong)
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

By order of the board of
New World Development Company Limited
Wong Man-hoi
Company Secretary

By order of the board of
Chow Tai Fook Jewellery Group Limited
Dr. Cheng Kar-shun, Henry
Chairman

By order of the board of
New World Department Store China Limited
Wu Yuk-kwai, Catherine
Company Secretary

Hong Kong, 22 March 2012

As at the date of this announcement, the executive NWD Directors are Dr. Cheng Kar-shun, Henry, Mr. Cheng Chi-kong, Adrian, Mr. Chen Guanzhan, Ms. Ki Man-fung, Leonie, Mr. Cheng Chi-heng and Miss Cheng Chi-man, Sonia; the non-executive NWD Directors are Mr. Liang Chong-hou, David and Mr. Cheng Kar-shing, Peter; and the independent non-executive NWD Directors are 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.

As at the date of this announcement, the executive CTFJ Directors are Dr. Cheng Kar-shun, Henry, Mr. Wong Siu-kee, Kent, Mr. Cheng Chi-kong, Adrian, Mr. Cheng Chi-heng, Conroy, Mr. Chan Sai-cheong, Mr. Chan Hiu-sang, Albert, Mr. Cheng Ping-hei, Hamilton and Mr. Suen Chi-keung, Peter, the non-executive CTFJ Directors are Dato' Dr. Cheng Yu-tung, Mr. Cheng Kam-biu, Wilson and Mr. Koo Tong-fat and the independent non-executive CTFJ Directors are Dr. Fung Kwok-king, Victor, Mr. Kwong Che-keung, Gordon, Mr. Lam Kin-fung, Jeffrey and Mr. Or Ching-fai, Raymond.

As at the date of this announcement, the non-executive NWDS Directors are Dr. Cheng Kar-shun, Henry and Mr. Au Tak-cheong; the executive NWDS 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 NWDS Directors are Mr. Cheong Ying-chew, Henry, Mr. Chan Yiu-tong, Ivan, Mr. Tong Hang-chan, Peter and Mr. Yu Chun-fai.