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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)

RE-ORGANIZATION OF BOARD OF DIRECTORS

The Board announces the following changes in directorships of the Company with effect from 1 March 2012:

- (1) Dato' Dr. Cheng Yu-Tung will retire from the positions of chairman and executive director;
- (2) Dr. Cheng Kar-Shun, Henry will be re-designated from managing director to chairman and executive director;
- (3) Mr. Cheng Chi-Kong, Adrian, an executive director, will take up additional position as joint general manager;
- (4) Mr. Chen Guanzhan will be appointed as executive director and joint general manager;
- (5) Dr. Sin Wai-Kin, David will retire as executive director;
- (6) Mr. Chow Kwai-Cheung will resign as non-executive director;
- (7) Miss Cheng Chi-Man, Sonia will be appointed as executive director;
- (8) Ms. Ki Man-Fung, Leonie will be re-designated from non-executive director to executive director;
- (9) Mr. Liang Chong-Hou, David will be re-designated from executive director to non-executive director; and
- (10) Mr. Liang Cheung-Biu, Thomas will be re-designated from non-executive director to independent non-executive director.

The board of directors (the “**Board**”) of New World Development Company Limited (the “**Company**”) announces the following changes of directorships of the Company with effect from 1 March 2012:

Retirement of Chairman and Executive Director

Dato' Dr. Cheng Yu-Tung will retire from the positions of chairman and executive director of the Company. He has confirmed that he has no disagreement with the Board and there is no matter relating to his retirement that needs to be brought to the attention of the shareholders of the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Dato' Dr. Cheng Yu-Tung, aged 86, has served the Company for over 40 years. He was appointed as director of the Company in May 1970 and has been the chairman of the Board since 1982. Under his leadership, the Company and its subsidiaries (the "Group") achieved stable growth over the adversities and changes in the past four decades. The Board would like to express its sincere gratitude to Dato' Dr. Cheng Yu Tung for his outstanding contributions in building a solid foundation for the Company's continuous growth in the future. In recognition of his outstanding contributions to the Company, the Board is pleased to honour Dato' Dr. Cheng Yu-Tung the title of chairman emeritus of the Company, following his retirement. Dato' Dr. Cheng will not be a director or an officer of the Company nor will he receive any remuneration for the position of chairman emeritus.

Re-designation as Chairman and Executive Director

Dr. Cheng Kar-Shun, Henry, currently the managing director, will be re-designated as the chairman and executive director of the Company.

Dr. Cheng Kar-Shun, Henry, aged 65, was appointed as director of the Company in October 1972, then executive director in 1973 and became managing director from 1989. He was appointed as a member of the remuneration committee of the Company on 18 January 2012. Dr. Cheng is the chairman and managing director of New World China Land Limited, the chairman of NWS Holdings Limited, the chairman and non-executive director of New World Department Store China Limited, the chairman and executive director of Chow Tai Fook Jewellery Group Limited, the chairman of International Entertainment Corporation, an independent non-executive director of HKR International Limited, and a non-executive director of Lifestyle International Holdings Limited, all of them are listed public companies in Hong Kong. Dr. Cheng is also the managing director of New World Hotels (Holdings) Limited and a director of certain subsidiaries of the Group. He is a director of Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, Chow Tai Fook Capital Limited, Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, all of them are substantial shareholders of the Company. Dr. Cheng was the chairman of Haitong International Securities Group Limited, a listed public company in Hong Kong, up to his resignation on 13 January 2010. Except as disclosed, 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.

Dr. Cheng is 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 People's Republic of China. In 2001, Dr. Cheng was awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region.

Dr. Cheng is the eldest son of Dato' Dr. Cheng Yu-Tung, the father of Mr. Cheng Chi-Kong, Adrian and Miss Cheng Chi-Man, Sonia, the brother of Mr. Cheng Kar-Shing, Peter and the uncle of Mr. Cheng Chi-Heng. Except as disclosed, Dr. Cheng does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date hereof, Dr. Cheng has family interest in 450,000 shares of the Company and personal interest in 40,498,782 underlying shares of the Company attached to the share options granted by the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is no service contract between the Company and Dr. Cheng. He is not appointed for a specific term except that he is subject to retirement by rotation in accordance with the articles of association of the Company. Dr. Cheng will receive a director's fee of HK\$300,000 per annum as determined by the Board with the authorization granted by the shareholders of the Company at the annual general meeting of the Company. He will receive from the Group emoluments which comprise a monthly salary of HK\$1,619,330 and a discretionary bonus. These have been determined by reference to his duties and responsibilities with the Group and the Group's remuneration policy.

Re-designation as Executive Director and Joint General Manager

Mr. Cheng Chi-Kong, Adrian, currently an executive director, will be re-designated as executive director and joint general manager of the Company. Mr. Cheng, together with Mr. Chen Guanzhan, will jointly manage the Company's day-to-day business and implement major strategies and policies of the Group.

Mr. Cheng, aged 32, was appointed as executive director of the Company in March 2007. He is an executive director of New World China Land Limited, New World Department Store China Limited, Chow Tai Fook Jewellery Group Limited and International Entertainment Corporation, all being listed public companies in Hong Kong. He is a director of Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, both are substantial shareholders of the Company. He is also a director of certain subsidiaries of the Group. Except as disclosed, 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.

Mr. Cheng worked in a major international bank prior to joining the Group in September 2006 and has substantial experience in corporate finance. Mr. Cheng holds a Bachelor of Arts Degree (cum laude) from Harvard University. He is the vice-chairman of the Youth Federation of the Central State-owned Enterprises, 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, chairman of China Young Leaders Foundation and the honorary chairman of Fundraising Committee of the Wu Zhi Qiao (Bridge to China) Charitable Foundation.

Mr. Cheng is the grandson of Dato' Dr. Cheng Yu-Tung, the son of Dr. Cheng Kar-Shun, Henry, the brother of Miss Cheng Chi-Man, Sonia, the nephew of Mr. Cheng Kar-Shing, Peter and the cousin of Mr. Cheng Chi-Heng. Except as disclosed, Mr. Cheng does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date hereof, Mr. Cheng has personal interest of 554,775 underlying shares of the Company attached to the share options granted by the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is no service contract between the Company and Mr. Cheng. He is not appointed for a specific term except that he is subject to retirement by rotation in accordance with the articles of association of the Company. Mr. Cheng will receive a director's fee of HK\$200,000 per annum as determined by the Board with the authorization granted by the shareholders of the Company at the annual general meeting of the Company. He will receive from the Group emoluments which comprise a monthly salary of HK\$470,000 and a discretionary bonus. These have been determined by reference to his duties and responsibilities with the Group and the Group's remuneration policy.

Appointment of Executive Directors and Joint General Manager

Mr. Chen Guanzhan, aged 52, will be appointed as executive director and joint general manager of the Company. Mr. Chen, together with Mr. Cheng Chi-Kong, Adrian, will jointly manage the Company's day-to-day business and implement major strategies and policies of the Group.

Mr. Chen joined the Company as general manager on 1 January 2011. He also acts as director of certain subsidiaries of the Group. Mr. Chen was an executive director of Yuexiu Transport Infrastructure Limited (formerly known as GZI Transport Limited), a listed public company in Hong Kong, up to his resignation on 3 November 2009. Except as disclosed, Mr. Chen 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. Chen holds a Bachelor of Science Degree from Sun Yat-Sen University in Guangzhou and a Master of Science Degree in Environmental Chemical Engineering from South China University of Technology in Guangzhou. He had also been a visiting scholar to the California State University, Northridge in U.S.A. where he studied Public Administration. Mr. Chen had previously taught at South China University of Technology, and held certificates as university lecturer, senior engineer, and held offices in various departments of the Guangzhou Municipal People's Government. Mr. Chen has extensive experience in administration management, corporate management and capital management with a strong theoretical and practical foundation.

Mr. Chen does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date hereof, Mr. Chen does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is no service contract between the Company and Mr. Chen. He is not appointed for a specific term except that he is subject to retirement by rotation in accordance with the articles of association of the Company. Mr. Chen will receive a director's fee of HK\$200,000 per annum as determined by the Board with the authorization granted by the shareholders of the Company at the annual general meeting of the Company. He will receive from the Company emoluments which comprise a monthly salary of HK\$300,000 and a discretionary bonus. These have been determined by reference to his duties and responsibilities with the Company and the Company's remuneration policy.

Retirement of Executive Director

Dr. Sin Wai-Kin, David will retire as executive director of the Company. He has confirmed that he has no disagreement with the Board and there is no matter relating to his retirement that needs to be brought to the attention of the shareholders of the Company and the Stock Exchange.

Dr. Sin Wai-Kin, David has been executive director of the Company since June 1970. The Board would like to express its sincere gratitude to Dr. Sin for his valuable contribution to the Company in the past.

Resignation of Non-executive Director

Mr. Chow Kwai-Cheung will resign as non-executive director of the Company due to his own decision to devote more time to his personal endeavours. He has confirmed that he has no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company and the Stock Exchange.

Mr. Chow Kwai-Cheung joined the Group in 1971 and was appointed as director of the Company in October 1994. The Board wishes to express its sincere gratitude to Mr. Chow for his long and dedicated service to the Company in the past.

Appointment of Executive Director

Miss Cheng Chi-Man, Sonia, aged 31, will be appointed as executive director of the Company. She is currently the chief executive officer of New World Hospitality and oversees the hotel division as well as the project management division of the Group.

Miss Cheng is also an executive director of New World China Land Limited, a listed public company in Hong Kong, and a director of certain subsidiaries of the Group. Except as disclosed, Miss 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.

Before joining the Group in 2008, Miss Cheng had worked in a major international investment bank and a global US private equity firm specialising in real estate investments. Miss Cheng holds a Bachelor of Arts Degree in Applied Mathematics with concentration in Economics from Harvard University in U.S.A..

Miss Cheng is the granddaughter of Dato' Dr. Cheng Yu-Tung, the daughter of Dr. Cheng Kar-Shun, Henry, the sister of Mr. Cheng Chi-Kong, Adrian, the niece of Mr. Cheng Kar-Shing, Peter, and the cousin of Mr. Cheng Chi-Heng. Except as disclosed, Miss Cheng does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date hereof, Miss Cheng does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is no service contract between the Company and Miss Cheng. She is not appointed for a specific term except that she is subject to retirement by rotation in accordance with the articles of association of the Company. Miss Cheng will receive a director's fee of HK\$200,000 per annum as determined by the Board with the authorization granted by the shareholders of the Company at the annual general meeting of the Company. She will receive from the Group emoluments which comprise a monthly salary of HK\$500,000 and a discretionary bonus. These have been determined by reference to her duties and responsibilities with the Group and the Group's remuneration policy.

Re-designation as Executive Director

Ms. Ki Man-Fung, Leonie, aged 64, will be re-designated from non-executive director to executive director of the Company. She is responsible for the human resources, internal training and external affairs of the Company.

Ms. Ki was appointed as a non-executive director of the Company in December 2008. Ms. Ki is the managing director of New World China Enterprises Projects Limited (a subsidiary of the Company) since 1997 and a director of certain subsidiaries of the Group. Ms. Ki is an independent non-executive director of Clear Media Limited and Sa Sa International Holdings Limited, both are listed public companies in Hong Kong. She is also a director of Chow Tai Fook Charity Foundation. Except as disclosed, Ms. Ki 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.

Ms. Ki has more than 30 years' experience in integrated communication and marketing services. She was the founder, partner and chairman/chief executive officer of Grey Hong Kong Advertising Limited and Grey China Advertising Limited. Ms. Ki is committed to the community and public services. She was the first chief executive of The Better Hong Kong Foundation. She is currently a life member of the Children's Cancer Foundation, trustee of Ocean Park Conservation Fund, honorary secretary of Wu Zhi Qiao Charitable Foundation, a member of the Sports Commission of Hong Kong, a member of the Hong Kong Housing Society, a court and council member of Lingnan University, a member of the Asian Advisory Board of Cheng Yu Tung Management Institute, Richard Ivey School of Business (University of Western Ontario, Canada), a member of the Advisory Board of the EMBA Programme of CUHK, a member of the Career Advisory Board of HKU, a member of The Chinese People's Political Consultative Conference of the Yunnan Province, and a recipient of Honorary University Fellows from OUHK and HKU, Beta Gamma Sigma from CUHK/BA, Justice of Peace and Silver Bauhinia Star by the Government of the Hong Kong Special Administrative Region.

Ms. Ki does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date hereof, Ms. Ki has personal interest in 90,000 shares of the Company and 1,109,551 underlying shares of the Company attached to the share options granted by the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is no service contract between the Company and Ms. Ki. She is not appointed for a specific term except that she is subject to retirement by rotation in accordance with the articles of association of the Company. Ms. Ki will receive a director's fee of HK\$200,000 per annum as determined by the Board with the authorization granted by the shareholders of the Company at the annual general meeting of the Company. She will receive from the Group emoluments which comprise a monthly salary of HK\$350,000 and a discretionary bonus. These have been determined by reference to her duties and responsibilities with the Group and the Group's remuneration policy.

Re-designation as Non-executive Director

Mr. Liang Chong-Hou, David, aged 66, will be re-designated from executive director to non-executive director of the Company.

Mr. David Liang was appointed as director of the Company in November 1979 and became executive director in 1986. Except as disclosed, Mr. David Liang 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. David Liang is the cousin of Mr. Liang Cheung-Biu, Thomas. Except as disclosed, Mr. David Liang does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date hereof, Mr. David Liang has personal interest in 332,863 underlying shares of the Company attached to the share options granted by the Company within the meaning of Part XV of the SFO.

Mr. David Liang confirms that he is a director of Macao Dragon Company Limited ("Macao Dragon"), a company incorporated in Hong Kong with limited liability and engaged in the provision of travel services, since 5 August 2010. On 15 September 2011, in view of its insolvency, Macao Dragon filed a Statement of Voluntary Winding Up in Case of Inability to Continue Business with the Companies Registry. Mr. David Liang confirms that the winding up of Macao Dragon will not have any adverse impact on his abilities to fully and effectively carry out his duties as a director of the Company. Given the lack of business relationship between the Company and Macao Dragon, Mr. David Liang is of the view that the winding up of Macao Dragon has no adverse impact on the business and financial position of the Company.

There is no service contract between the Company and Mr. David Liang. He is not appointed for a specific term except that he is subject to retirement by rotation in accordance with the articles of association of the Company. Mr. David Liang will receive a director's fee of HK\$150,000 per annum as determined by the Board with the authorization granted by the shareholders of the Company at the annual general meeting of the Company.

Re-designation as Independent Non-executive Director

Mr. Liang Cheung-Biu, Thomas, aged 65, will be re-designated from non-executive director to independent non-executive director of the Company.

Mr. Thomas Liang was appointed as non-executive Director of the Company in August 2004. Mr. Thomas Liang is a non-executive director of Miramar Hotel and Investment Company, Limited (a listed public company in Hong Kong) and the group chief executive of Wideland Investors Limited. Except as disclosed, Mr. Thomas Liang 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. He has extensive experience in financial management, corporate finance, banking, real estate development and equity investment.

Mr. Thomas Liang is the cousin of Mr. Liang Chong-Hou, David. Except as disclosed, Mr. Thomas Liang does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date hereof, Mr. Thomas Liang has personal interest in 7,822 shares of the Company and 221,907 underlying shares of the Company attached to the share options granted by the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Notwithstanding his relationship with the Company as a non-executive Director and his cousin relationship with Mr. David Liang, the Board believes that Mr. Thomas Liang is sufficiently independent to act as an independent non-executive director of the Company and he will be able to perform his duties as an independent non-executive director impartially and independently, for the following reasons:

- (a) as a non-executive director, Mr. Thomas Liang has not carried out any executive or managerial functions for the Company and is not financially dependent on the Company;
- (b) even though Mr. Thomas Liang is the cousin of Mr. David Liang, they are independent of each other, and Mr. Thomas Liang does not have any business dealings with Mr. David Liang; and
- (c) other than his relationship with the Company as a non-executive director and his cousin relationship with Mr. David Liang, Mr. Thomas Liang is independent of and does not have any connection with the Company, its controlling shareholders, any of their respective subsidiaries or connected persons of the Company.

There is no service contract between the Company and Mr. Thomas Liang. He is not appointed for a specific term except that he is subject to retirement by rotation in accordance with the articles of association of the Company. Mr. Thomas Liang will receive a director's fee of HK\$250,000 per annum as determined by the Board with the authorization granted by the shareholders of the Company at the annual general meeting of the Company.

Save for the information set out above, there is no other information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Rules Governing The Listing of Securities on the Stock Exchange nor are there other matters that need to be brought to the attention of the shareholders of the Company in relation to the appointment of the above new directors and re-designation of the directorship.

The Board would like to take this opportunity to welcome Mr. Chen and Miss Cheng to join the Board.

By Order of the Board
Cheng Kar-Shun, Henry
Managing Director

Hong Kong, 29 February 2012

As at the date of this announcement, (a) the Executive Directors of the Company are Dato' Dr. Cheng Yu-Tung, Dr. Cheng Kar-Shun, Henry, Dr. Sin Wai-Kin, David, Mr. Liang Chong-Hou, David, Mr. Cheng Chi-Kong, Adrian and Mr. Cheng Chi-Heng ; (b) the Non-executive Directors of the Company are Mr. Cheng Kar-Shing, Peter, Mr. Chow Kwai-Cheung, Mr. Liang Cheung-Biu, Thomas and Ms. Ki Man-Fung, Leonie; and (c) the Independent Non-executive Directors of the Company 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 and Mr. Lee Luen-Wai, John.