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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)

TERMINATION OF THE LEASE AGREEMENT

Reference is made to the transactions between HK Island and Sogo HK under the Lease Agreement, details of which were disclosed in the announcements of the Company dated 3 March 2005, 16 September 2008 and 11 May 2011.

On 31 July 2012, HK Island and Sogo HK entered into the Supplemental Deed, pursuant to which HK Island and Sogo HK agreed to terminate the Lease Agreement with effect from 15 February 2014. Sogo HK shall deliver up vacant possession of the Premises to HK Island in two stages, on or before 1 December 2012 and 15 February 2014, respectively. The Group intends to re-develop the Premises after obtaining vacant possession from Sogo HK.

BACKGROUND

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TERMINATION OF THE LEASE AGREEMENT

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GENERAL

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

The Premises is owned by HK Island, a wholly-owned subsidiary of the Company.

Sogo HK is principally engaged in the operation of department stores in Hong Kong. Sogo HK is an indirect non-wholly owned subsidiary of Real Reward Limited, a jointly-controlled entity owned by Go Create Limited which is a wholly-owned subsidiary of CTF. CTF is a controlling shareholder of the Company.

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 of Hong Kong Limited
“CTF”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability
“Group”	the Company and its subsidiaries from time to time
“HK Island”	Hong Kong Island Development Limited, a wholly-owned subsidiary of the Company
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Lease Agreement”	the lease agreement in relation to the Premises entered into between HK Island as the lessor and Sogo HK as lessee on 24 February 2005
“Premises”	Portion of Ground Floor, Portion of P1 & The Entire P2 of Sogo Department Store TST (formerly the Amazon), 12 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong erected on all that piece or parcel of ground registered in the Land Registry as Kowloon Inland Lot No. 10978
“Sogo HK”	Sogo Hong Kong Company Limited
“Supplemental Deed”	the supplemental deed to the Lease Agreement entered into between HK Island and Sogo HK on 31 July 2012

By order of the board
Wong Man-Hoi
Company Secretary

Hong Kong, 31 July 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.