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(Stock Code: 0017)

RE-DESIGNATION OF DIRECTORS

The Board announces the following re-designation of directors of the Company with effect from 1 March 2017:

- (1) Mr. Chen Guanzhan, an executive director and joint general manager of the Company, is going to retire from the Group of all executive roles. Mr. Chen will be re-designated as a non-executive director and appointed as an adviser of the Company; and
- (2) Dr. Cheng Chi-Kong, Adrian will be re-designated from executive vice-chairman and joint general manager of the Company to executive vice-chairman and general manager of the Company.

The board of directors (the “**Board**”) of New World Development Company Limited (新世界發展有限公司) (the “**Company**”) announces the following re-designation of directors of the Company with effect from 1 March 2017:

Re-designation as Non-executive Director

Mr. Chen Guanzhan, an executive director and joint general manager of the Company, is going to retire from the Company and its subsidiaries (the “**Group**”) of all executive roles due to his own decision to retire from active business affairs in Hong Kong. He will be re-designated as non-executive director and appointed as an adviser of the Company with effect from 1 March 2017.

Mr. Chen Guanzhan, aged 57, was appointed as an executive director and joint general manager of the Company in March 2012. Mr. Chen joined the Company as general manager in January 2011. Prior to his re-designation, Mr. Chen is a member of the executive committee of the Board and director of certain subsidiaries of the Group. 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 the 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 academic and practical foundation.

Mr. Chen will enter into a new letter of appointment with the Company as a non-executive director of the Company for a fixed term of three years commencing from 1 March 2017, subject to retirement by rotation in accordance with the Articles of Association. After re-designation as a non-executive director of the Company, Mr. Chen 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 an annual general meeting of the Company. Mr. Chen will also be appointed as an adviser of the Company and will receive a remuneration of HK\$100,000 per month.

Mr. Chen does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, Mr. Chen has personal interest in 3,736,471 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.

Re-designation as Executive Vice-chairman and General Manager

Dr. Cheng Chi-Kong, Adrian will be re-designated from executive vice-chairman and joint general manager of the Company to executive vice-chairman and general manager of the Company with effect from 1 March 2017.

Dr. Cheng Chi-Kong, Adrian, aged 37, was appointed as an executive director of the Company in March 2007 and has become executive director and joint general manager since March 2012. He was re-designated to executive vice-chairman and joint general manager of the Company from April 2015. Dr. Cheng is a member of the executive committee of the Board. Dr. Cheng is an executive director of New World Department Store China Limited, Chow Tai Fook Jewellery Group Limited and International Entertainment Corporation, a non-executive director of Giordano International Limited and the non-executive vice chairman of Modern Media Holdings Limited, all being listed public companies in Hong Kong. He is an executive director of New World China Land Limited, a listed public company in Hong Kong until its delisting on 4 August 2016. He is also the chairman of New World Group Charity Foundation Limited and a director of certain subsidiaries of the Group. 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 worked in a major international bank prior to joining the Group in September 2006 and has substantial experience in corporate finance. Dr. Cheng holds a Bachelor of Arts Degree (*cum laude*) from Harvard University, and was conferred the Honorary Doctorate of Humanities by the Savannah College of Art and Design. 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, the chairman of China Young Leaders Foundation, the honorary chairman of K11 Art Foundation and a member of Board of the West Kowloon Cultural District Authority.

Dr. Cheng will enter into a new letter of appointment with the Company as executive vice-chairman and general manager of the Company for a fixed term of three years commencing from 1 March 2017, subject to retirement by rotation in accordance with the Articles of Association. He will receive a director's fee of HK\$300,000 per annum as determined by the Board with the authorisation granted by the shareholders of the Company at an annual general meeting of the Company. Dr. Cheng will receive from the Group emoluments which comprise a monthly salary and allowance of HK\$1,503,860 and a discretionary bonus. These have been determined by reference to his duties and responsibilities with the Group and the Group's remuneration policy.

Dr. Cheng is a director of Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, both are substantial shareholders of the Company. He is the son of Dr. Cheng Kar-Shun, Henry, the brother of Ms. Cheng Chi-Man, Sonia, the nephew of Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter, and the cousin 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 of this announcement, Dr. Cheng has personal interest in 8,236,471 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.

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 of Hong Kong Limited nor are there other matters that need to be brought to the attention of the shareholders of the Company in relation to the above re-designation of directors.

By Order of the Board
Wong Man-Hoi
Company Secretary

Hong Kong, 22 February 2017

As at the date of this announcement, the Board of the Company comprises (a) seven executive directors, namely Dr. Cheng Kar-Shun, Henry, Dr. Cheng Chi-Kong, Adrian, Mr. Chen Guanzhan, Ms. Ki Man-Fung, Leonie, Mr. Cheng Chi-Heng, Ms. Cheng Chi-Man, Sonia and Mr. Au Tak-Cheong; (b) two non-executive directors, namely Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter; and (c) five independent non-executive directors, namely Mr. Yeung Ping-Leung, Howard, Mr. Cha Mou-Sing, Payson (alternate director to Mr. 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.