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DISCLOSEABLE TRANSACTION

**ACQUISITION OF A COMPANY HOLDING INTEREST IN
A PROPERTY IN SHANGHAI, THE PRC**

**SUPPLEMENTAL AGREEMENT
AND
COMPLETION OF THE ACQUISITION**

The Sellers and the Buyer had on 17 November 2011 entered into the Supplemental Agreement to change the date of payment of the Retention Amount by the Buyer to the Sellers to no later than 30 November 2011.

The Directors and the NWD Directors are also pleased to announce that Completion took place on 17 November 2011.

Reference is made to the joint announcement of NWD and the Company dated 21 September 2011 (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those used in the Announcement.

THE SUPPLEMENTAL AGREEMENT

Pursuant to the Agreement, the Retention Amount, after deducting therefrom all Employee Payments and Termination Losses, shall be paid in its HK\$ Equivalent by the Buyer to BRE on the date of expiration of the term (including any extended term of up to 6 months from the Completion Date) of the Insite Management Agreement, which BRE shall procure will be entered into prior to Completion. As the Insite Management Agreement will now not be entered into on or prior to Completion, the Sellers and the Buyer had on 17 November 2011 entered into a supplemental agreement to amend the Agreement (the “**Supplemental Agreement**”) such that, inter alia, the date of payment of the Retention Amount (after the deduction of the aforesaid amounts) by the Buyer to the Sellers is changed from the date of expiration of the term of the Insite Management Agreement to no later than 30 November 2011. Consequential amendment has also been made to the Agreement such that deduction of the Employee Payments and Termination Losses may be made until 30 November 2011.

COMPLETION OF THE ACQUISITION

The Directors and the NWD Directors are also pleased to announce that Completion took place on 17 November 2011.

In fulfillment of one of the Conditions, Peak had on 17 November 2011 entered into a termination agreement with Insite to terminate the asset management agreement dated 5 November 2008 entered into between Peak and Insite and its supplementary agreement as of 17 November 2011. Pursuant to such termination agreement, Peak is required to, inter alia, pay to Insite the sum of RMB750,000 on or prior to 24 November 2011. As such amount is to be paid by Peak after the Completion Date, such amount will effectively be borne by the Group.

By order of the board of directors
**New World Development Company
Limited**
Wong Man Hoi
Company Secretary

By order of the board of directors
**New World Department Store China
Limited**
Wu Yuk Kwai, Catherine
Company Secretary

Hong Kong, 17 November 2011

As at the date of this announcement, (a) the executive NWD Directors 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 NWD Directors are Mr. Cheng Kar Shing, Peter, Mr. Leung Chi Kin, Stewart, Mr. Chow Kwai Cheung, Mr. Liang Cheung Bui, Thomas and Ms. Ki Man Fung, Leonie; and (c) 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 and Mr. Lee Luen Wai, John.

As at the date of this announcement, (a) the non-executive Directors are Dr. Cheng Kar Shun, Henry and Mr. Au Tak Cheong; (b) the executive 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 (c) the independent non-executive Directors are Mr. Cheong Ying Chew, Henry, Mr. Chan Yiu Tong, Ivan, Mr. Tong Hang Chan, Peter and Mr. Yu Chun Fai.