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新世界百貨中國有限公司

New World Department Store China Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 825)

RE-DESIGNATION AND RESIGNATION OF DIRECTORS

The Board announces the following re-designation and resignation of directors of the Company with effect from 1 August 2018:

- (1) Mr. Cheung Fai-yet, Philip, a non-executive director of the Company, will be re-designated as an executive director of the Company; and
- (2) Mr. Niu Wei, the chief executive officer and an executive director of the Company, will resign as a chief executive officer and an executive director of the Company.

The board of directors (the “**Directors**” or the “**Board**”) of New World Department Store China Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces the following re-designation and resignation of Directors with effect from 1 August 2018:

RE-DESIGNATION OF DIRECTOR

Mr. Cheung Fai-yet, Philip (“**Mr. Cheung**”), a non-executive director of the Company, will be re-designated as an executive director of the Company with effect from 1 August 2018. Mr. Cheung shall also be appointed as a member of the executive committee and the remuneration committee of the Company with effect from 1 August 2018.

Mr. Cheung, aged 63, had been an executive director of the Company between June 2007 and February 2018, and has been the non-executive director of the Company since February 2018. He is also a director of a number of subsidiaries of the Company. He was the managing director of the Company up to his resignation from such office on 17 March 2017. Mr. Cheung joined the Group in 1993 and has been responsible for the overall management of the Group. He has over 40 years of experience in the retail industry and possesses extensive experience in managing retailing stores in the People’s Republic of China, Hong Kong and Taiwan. Prior to joining the Group, Mr. Cheung has held various senior management positions in large retail groups in Hong Kong and Taiwan including working as a general manager in a large Japanese department store and as a general manager in the retail division of a UK based conglomerate in Hong Kong and as a general manager in a large pharmaceutical retail company in Taiwan.

Save as disclosed above, (i) Mr. Cheung does not hold other position with the Company or its subsidiaries nor have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company; (ii) Mr. Cheung does not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iii) Mr. Cheung does not have any other major appointments or professional qualifications.

As at the date of this announcement, Mr. Cheung is not interested or deemed to be interested in any shares, underlying shares or debentures of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Pursuant to an employment contract dated 31 July 2018 between the Company and Mr. Cheung, Mr. Cheung will be entitled to receive an annual emolument, which comprised salary and allowance, of approximately HK\$6,964,000 plus bonus, which emolument was determined with reference to his duties and responsibilities with the Company and the Company's remuneration policy.

Pursuant to an appointment letter dated 31 July 2018 between the Company and Mr. Cheung, Mr. Cheung will be appointed as an executive director of the Company for an initial term commencing from 1 August 2018 to 30 June 2021, subject to the requirements for retirement, rotation and vacation of office of directors as set out in the articles of association of the Company. Mr. Cheung will receive a director's fee of HK\$150,000 per annum which will be reviewed and determined by the Board from time to time with reference to his duties and responsibility in the Group, the Group's performance and the prevailing market condition.

Save as disclosed herein, so far as the Directors are aware, there are no matters concerning the re-designation of Mr. Cheung that need to be brought to the attention of the shareholders of the Company or The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") nor is there any information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities of the Stock Exchange.

RESIGNATION OF DIRECTOR

The Board announces that Mr. Niu Wei ("**Mr. Niu**") has tendered his resignation as the chief executive officer and an executive director of the Company with effect from 1 August 2018 for the reason of his internal transfer to other positions within the New World Development Company Limited group. Due to the resignation, Mr. Niu shall cease to be a member of the executive committee and the remuneration committee of the Company. Mr. Niu has confirmed that he has no disagreement with the Board and there are no matters in respect of his resignation that need to be brought to the attention of the shareholders of the Company or the Stock Exchange.

The Board would like to take this opportunity to express its sincere gratitude to Mr. Niu for his invaluable contribution to the Company during his tenure of service.

The Board wishes to express its sincere gratitude to Mr. Cheung for his invaluable contribution to the Company during the tenure of his office as a non-executive director of the Company and warmly welcomes Mr. Cheung in his new roles in the Company.

By order of the board of
New World Department Store China Limited
Dr. Cheng Kar-shun, Henry
Chairman

Hong Kong, 31 July 2018

As at the date of this announcement, the non-executive Directors are Dr. Cheng Kar-shun, Henry, Mr. Au Tak-cheong and Mr. Cheung Fai-yet, Philip; the executive Directors are Dr. Cheng Chi-kong, Adrian and Mr. Niu Wei; and 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.