



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)



# CORPORATE PROFILE

Founded in 1993, New World Department Store China Limited (Stock Code: 825) is the retail flagship of New World Development Company Limited (Stock Code: 17) (“NWD”) and has developed itself into a retail group integrating department stores and shopping malls business. The Group was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in 2007. As at 31 December 2024, NWD owned approximately 75% shares of the Group.

## RETAIL NETWORK

To orderly expand its business network across Mainland China, the Group adopts the expansion strategies of “Multiple Presences within a Single City” and “Radiation City”. As at 31 December 2024, among the department stores and shopping malls operated by the Group, 15 stores were “New World” (「新世界」) branded, while 7 stores in Shanghai were “Ba Li Chun Tian” (「巴黎春天」) branded, with a total gross floor area of about 920,000 square metres, covering 12 key cities in Mainland China, including Beijing, Shanghai, Chongqing, Wuhan, Nanjing, Tianjin, Changsha, Zhengzhou, Yantai, Shenyang, Lanzhou and Mianyang.

## ORGANISATION STRUCTURE

The Group owns a seasoned and innovative management team and adopts a flat structure for effective management, divides the two major businesses into department stores and shopping malls, coordinates and manages corresponding types of store operations. Such structure actualises both resource-sharing and the support of functional departments of the headquarters, synergy effect is created. When formulating professional strategies such as merchandising and marketing strategies, the Group implements a double-line management mechanism. Based on the positioning and direction of the Group, the headquarters formulates a macroscopic corporate strategy and deploys resources for its strategic plans, which is then adjusted and executed towards the relevant goals by stores according to their local circumstances to ensure the Group’s strategy is landed.

## BUSINESS OPERATIONS

The Group actively implements categorised store management and “One Store, One Strategy” operations strategy to encourage stores to adopt different strategies, strengthening the core competitiveness with multiple business mode and commodity power. The Group’s revenue is mainly derived from: rental income, commission income from concessionaire sales, sales of goods for direct sales, and interest income from finance leases as the lessor. In addition to its core department store and shopping mall businesses, the Group has been synchronously expanding its direct sales business, such as “New World Supermarket” and LOL (Love • Original • Life) Diverse Creation Space, to strengthen its differentiated operations.

## TALENT DEVELOPMENT

The Group regards its staff as a valuable asset. Through a series of incentive schemes, training programmes and career opportunities, the Group strives to fortify the team’s proactiveness, innovative capability and sense of belonging so as to encourage and cultivate its talents, who will join up to put the Group’s vision and mission into actions. As at 31 December 2024, the Group had 1,734 employees.

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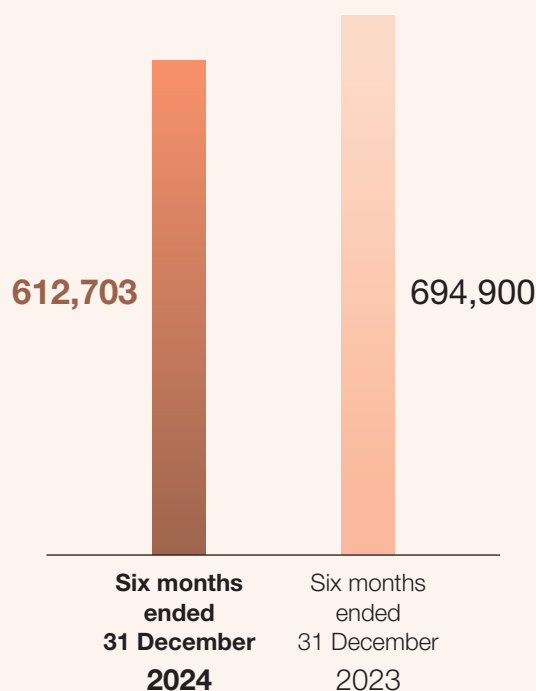
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## FINANCIAL HIGHLIGHTS

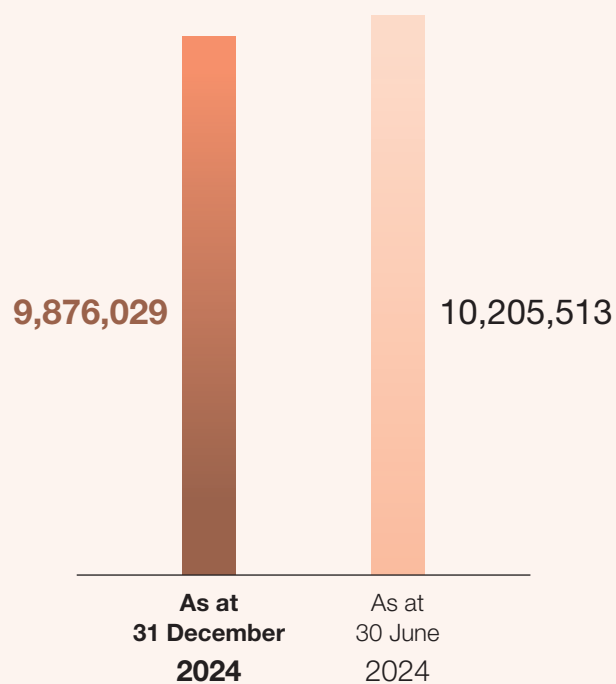
### REVENUE

(HK\$'000)



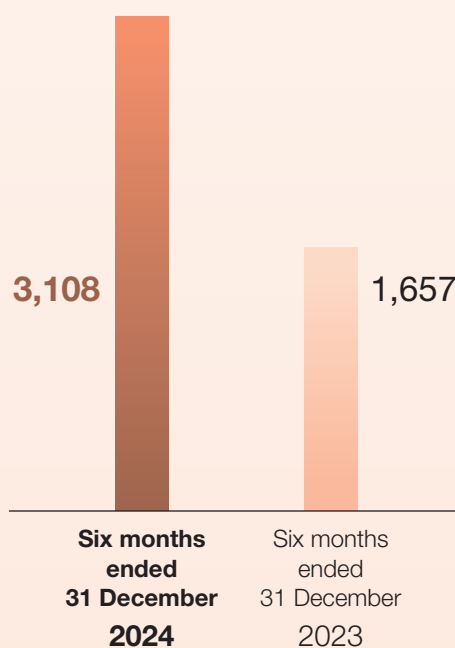
### TOTAL ASSETS

(HK\$'000)



### NET PROFIT

(HK\$'000)



## FINANCIAL HIGHLIGHTS

	Six months ended 31 December	
	2024 HK\$'000	2023 HK\$'000
<b>OPERATING RESULTS</b>		
Revenue	612,703	694,900
Representing:		
Commission income from concessionaire sales	178,649	228,255
Sales of goods – direct sales	131,162	164,835
Rental income	295,893	293,381
Interest income from finance leases as the lessor	6,999	8,429
Operating profit	114,563	121,292
Profit for the period	3,108	1,657
	As at 31 December 2024 HK\$'000	As at 30 June 2024 HK\$'000
<b>FINANCIAL POSITION</b>		
Total assets	9,876,029	10,205,513
Total liabilities	6,471,455	6,825,391
Borrowings	1,417,976	1,469,297
Less: Fixed deposits with original maturity over three months, cash and bank balances	(803,157)	(875,255)
Net debt	614,819	594,042
Total equity	3,404,574	3,380,122
Net gearing ratio (Note)	18.1%	17.6%

Note:

Net debt divided by total equity.



# CHAIRMAN'S STATEMENT

“

Grounded in its actions, the Group will remain steadfast to the values of “Merchandises + Services + Experiences” for retail, thus strengthening its consumer-centric market competitiveness and forging ahead for the long-term advancement of its business.

”



## CHAIRMAN'S STATEMENT



During the period under review, the Group prioritised enrichment of business mix, created a new experiential consumption space integrating multi-scenario retail, dining, and leisure as its main direction, introducing renowned outdoor sports brands such as “Decathlon” (迪卡儂), and lifestyle-oriented businesses such as “MUJI” (無印良品) to provide consumers with a quality lifestyle. Moreover, the Group expanded its new brand and emerging commerce matrix by introducing pan-ACG businesses such as “IPSTAR” (潮玩星球), art toy IPs like “Duomo Wanshiwu” (多摩萬事屋), first stores and flagship stores including an indoor music cycling store “TANGO LIVEHOUSE”, concept themed dining like “BAKER & SPICE” healthy light meals, and popular tea brands like “No Yeye No Tea” (爺爺不泡茶). Meanwhile, a new integration model of “pan-ACG + Retail + Gourmet Food + Art Toy” (泛二次元+零售+美食+潮玩) has been shaped and created, enabling an enjoyable and diversified immersive experience for its customers.

Members are essential for business vitality. The Group has developed a wide range of membership incentives as well as targeted marketing strategies, launched the “V-Friends Festival” (V友節), which featured multiple membership benefits such as gifts for registration, first order, upgrade and redemption, and reached out to the target customers through various and precise marketing strategies. In addition, the Group rolled out marketing activities such as IP co-branding, ACG gatherings and anniversary celebrations to increase foot traffic and publicity as well as bringing customers ever closer to us.

The Group continued to reinforce the integration of online and offline, promoting initiatives such as instant retail and home delivery services. Apart from that, to better meet the growing consumer demand for convenience, the

Group has driven the development of its community stores into “multi-functional stores” with convenient service projects to create service centres for the neighbourhood.

The retail industry will encounter unprecedented both opportunities and challenges against the rapidly evolving market landscape. The accelerated transition between old and new growth engines together with the structure featuring both established and emerging businesses will definitely augment the industry competition. Going forward, operational capability would be a make-or-break factor of businesses.

Act with reflection, and with reflection, we will go far. Grounded in its actions, the Group will remain steadfast to the values of “Merchandises + Services + Experiences” (商品+服務+體驗) for retail, continuously refine its retailing capabilities and operation model to meet the growing needs of consumers for a better life, thus strengthening its consumer-centric market competitiveness and progressing with the transformation.

On behalf of the Board, I would like to extend my gratitude to all employees for their contribution and dedication, and express my sincere thanks to our shareholders, customers and business partners for their long-term support. We will forge ahead for the long-term advancement of our business in return for your trust and expectation.

**Mr. Cheung Fai-yet, Philip**  
Chairman

Hong Kong, China, 27 February 2025

## — MANAGEMENT DISCUSSION AND ANALYSIS —

### BUSINESS REVIEW

#### Results Summary

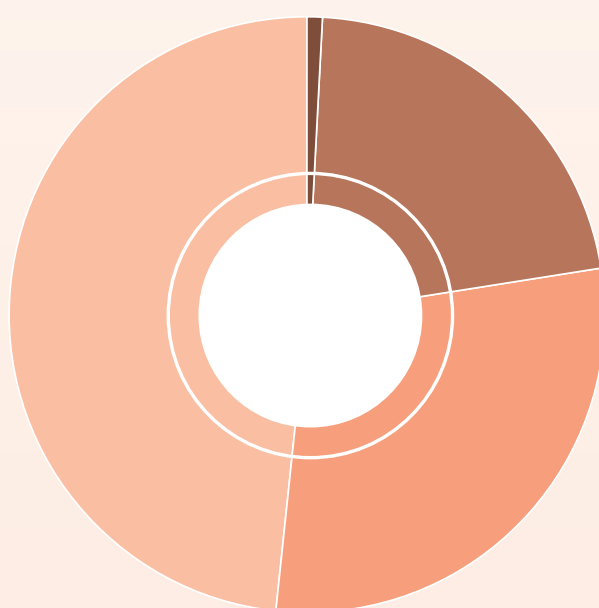
In 2024, the domestic consumer market has been gradually recovered. With the emergence of new consumption scenarios and the support of preferential policies, the Group actively adapted to consumer market trends, focusing on creating space layout and scenarios based on the principle of “One Store, One Strategy” (一店一策), so as to enrich our tailored offerings matrix and optimised brand portfolio by following the development mainline of merchandise, services, and experiences. We achieved stable improvement in performance on the strength of our robust and steady operations and solid development.

For the six months ended 31 December 2024, the Group's revenue for the period was HK\$612.7 million, compared with HK\$694.9 million in the same period of the previous year. In terms of category, the Group's

revenue for the period was mainly derived from rental income which accounted for 48.3%. This was followed by commission income from concessionaire sales which took up 29.2%, sales of goods for direct sales which took up 21.4%, and interest income from finance leases as the lessor which took up 1.1%. The Group's profit for the period was HK\$3.1 million, compared with HK\$1.7 million in the same period of the previous year. Earnings per share for the period was HK\$0.002, compared with HK\$0.001 in the same period of the previous year.

#### Business Network

As at 31 December 2024, the Group operated 22 department stores and shopping malls in Mainland China, covering 12 key cities across the country including Beijing, Shanghai, Chongqing, Wuhan, Nanjing, Tianjin, Changsha, Zhengzhou, Yantai, Shenyang, Lanzhou and Mianyang, with a total gross floor area of about 920,000 square metres.



Rental income

**48.3%**

Commission income from  
concessionaire sales

**29.2%**

Sales of goods for direct sales

**21.4%**

Interest income from  
finance leases as the lessor

**1.1%**



### OPERATIONS OVERVIEW

During the period under review, the Group adhered to strengthen its internal capabilities with focus on quality, diversified its business portfolios and optimised space layouts to create scenario-based consumption, while external capabilities were enhanced through resource consolidation. With greater penetration of membership community operations and expansion of private domain traffic, we fully tapped into market potential in order to strengthen business efficiency and core competitiveness.

Leveraging on the above development plans for urban commercial districts and the positioning of each store, the Group focused on revamping the ground-floor businesses of the stores and actively introduced first stores, flagship stores, integrated stores and boutiques of brands, and also extensively expanded Anime, Comics and Games (“ACG”) economy, high-quality catering, sports and fitness, lifestyle amenities and other diversified offerings aiming to enhance immersive consumer experience and strengthen attractiveness and footfall for stores. For instance, the ACG layout at Beijing Chongwen Store has begun to achieve economies of scale, garnering positive market feedback.

In terms of membership marketing, through campaigns like “V-Friends Festival” (V友節) and “Tuesday VIP Day” (周二會員日), we improved the membership service system to effectively enhance member stickiness. Meanwhile, capturing the trend of digitalisation, the Group also integrated “China UnionPay Quick Pass” (中國銀聯雲閃付) system into its membership system for better membership experience and higher operational efficiency. As of 31 December 2024, the total number of members of the Group reached 7.87 million, representing an increase of 4.7% year-on-year (“YOY”).

Additionally, diverse trendy elements were featured in marketing campaigns, which precisely matched consumer demands with the positioning of the business districts, and integrated various cross-industry resources to promote brand influence. The topics covered ACG

theme, Key Opinion Leader marketing, Intellectual Property (“IP”) POPUP stores, and electronic sports and physical sports competitions, achieving word of mouth communication and enhancing market reputation through creativity.

The Group also advanced its overall marketing strategy, actively developed its online platform “New Lab Mini Program” (新閃購小程序), and embarked on cross-industry collaboration with local sales online platforms, such as “Meituan” (美團), “JD.com” (京東), “Kuaishou” (快手) and “Dianping” (大眾點評), while constantly launched “Crazy Thursdays” (瘋狂星期四) live streaming campaign on the “Tiktok” (抖音) platform to foster the integration of online and offline traffic and to drive business growth.

Looking at the big picture, the Group remained dedicated to introducing high-quality business, focused on enhancing commodity power and creating scenario-based experiences, and maintained sustained development in membership operations and diversified channel marketing, thereby achieving gradual improvement in performance during the period under review.

### Department Store and Shopping Mall Business

#### *Vertical Penetration: Refining Quality Business Offerings and Creating Specialised Scenarios*

During the period under review, the Group emphasised the inclusion of first stores, flagship stores, co-retailing stores and other premium brands, successfully revamping the ground-floor businesses and expanding core offerings. For instance, Beijing Chongwen Store collaborated with “Decathlon” (迪卡儂) and “MUJI” (無印良品) to enrich the offerings of sports equipment and lifestyle products. Beijing Qianzi Store introduced international renowned cosmetics brands such as “Estée Lauder” (雅詩蘭黛) and “Mageline” (麥吉麗), which further enriched the store’s cosmetics matrix. Shanghai Chengshan Branch Store brought in an integrated store of “FILA” (斐樂), generating clustering effect with super

## MANAGEMENT DISCUSSION AND ANALYSIS

factory shops such as “Nike” (耐克) and “Adidas” (阿迪達斯). Furthermore, several stores swiftly capitalised on the market consumption trend for cosmetics and modern accessories in co-retailing stores. For example, “Beauty Choice” was introduced in Shanghai Pujian Branch Store and Shanghai Chengshan Branch Store, and “THE COLORIST” (調色師) has been launched in Beijing Chongwen Store, while Chongqing Store was in positive discussion with “WOW BEAUTY”. In the meantime, the Group prioritised the optimisation of the store layout, as well as the expansion and upgrade of stores, such as transforming “Manner Coffee” at Shanghai Pujian Branch Store into a bakery to offer an array of options to better meet customers’ needs. “Xiaomi Home” (小米之家) and “JD Home” (京東之家) at Yantai Store were renovated to constantly improve the customer experience.

New scenarios, new business categories and new models have mushroomed over the current consumer market. The stores targeted consumers’ pursuit of high-quality lifestyles by leveraging on the development positioning of business districts, and had been selective in collaboration with diverse lifestyle businesses. Focusing on the lifestyle of “Young Professionals” (新職場人), Beijing Trendy Store has set up a dynamic cycling fitness centre “Yes!InCycle” and a tennis court “Solo Tennis”, while Shanghai Huaihai Branch Store operated the first national indoor music cycling store “TANGO LIVEHOUSE”. With popular demand for personalised and diversified educational services among family customers, Yantai Store swiftly responded by attracting educational brands for children such as “WV Sports Centre” (WV運動中心) and “Dingxiao” (鼎校). Wuhan Xudong Branch Store brought in education platforms for various subjects, setting a leading position in the education and training business for children within the business district. To encourage emotional consumption, Shanghai Shaanxi Road Branch Store focused on the social needs of the neighbourhood and commercial groups by introducing “Wang Fugui” (王富貴) seafood hotpot, “Xingjuhui” (星聚會) Karaoke Television and other living amenities, and expanded into the pet-friendly business sector to offer better offline experience. At the same time, Nanjing Store introduced “Dianfeng Electronic Sports” (巔峰電競), and “Pian Yao Comedy” (偏要喜劇) was drawn into Yantai

Store, “Mountain Spirit Temple Escape Room” (山神廟密室) into Shenyang Jinqiao Road Trendy Plaza and “Wanda Kids” (萬達寶貝王) IP Park into Zhengzhou Store, all of which have highlighted entertainment and social features and enhanced consumer stickiness to attract more traffic in younger age to the stores.

A diversified catering ecosystem was also developed for providing authentic and value-for-money dine-out options for customers at different dining times. For example, Shanghai Pujian Branch Store included new Chinese tea drinks “CHAGEE” (霸王茶姬) and American fried chicken brand “Popeyes”. Shanghai Chengshan Branch Store added traditional herbal tea drinks “No Yeye No Tea” (爺爺不泡茶). Shanghai Huaihai Branch Store brought in popular light food brand “FitBee” (非比) as well as meat pies and coffee shop “MR.SHUANG” (爽爺). The Cantonese restaurant “Ri Chang” (日昌) and Chaoshan cuisine “Nenniujia” (嫩牛家) were settled in Beijing Liying Store, while Shanghai Shaanxi Road Branch Store will introduce popular bakery brands “UH SELECT” (祐禾) and “Pain Chaud” (百丘).

Notably, with the extensive scale and increasingly prominent purchasing power of young consumers in ACG, the ACG market has gradually developed from a single content field to a new pattern for seeking synergies among the content industry and merchandise industry. In view of the above, the Group has been dedicated to creating spaces for more comprehensive IP offline experience, such as introducing an ACG-themed restaurant “IPSTAR” (潮玩星球) at Beijing Chongwen Store, which offers both trendy and dining experience. Through multiple collaboration with IP concept stores such as “Duomo Wanshiwu” (多摩萬事屋) and “Shuitun Xiaoguaishou” (水豚小怪獸), it serves as an social gathering place for ACG culture in Beijing. Shenyang Jinqiao Road Trendy Plaza introduced various goods stores and figure stores. Changsha Trendy Plaza collaborated with “The League of OTAKU DANSU” (宅舞聯盟) to create a shared social space. In the future, the Group will continue to drive innovation in the integration of businesses and scenario-based operations to provide customers with a diversified and immersive experience and rejuvenate the business.

### **Horizontal Development: Integrating Marketing Efforts and Unleashing the Diversified Value of Membership**

The Group has been committed to refining membership operations, optimising the system of membership attraction and retention, and focusing on improving the quality of membership services and diverse benefits to promote higher consumption. Riding on the Group's advantage of unified deployment of resources, the membership shopping campaign "V Friends Festival" was launched in all stores, featuring benefits such as gifts for membership registration, first order, membership upgrade and redemption, with ACG themes for connecting more younger customers, which resulted in more than 8,000 new members across all stores. Meanwhile, gift coupons of department stores and restaurants and more parking privileges are offered during Tuesday VIP Day, with the "Xiaoxin V-Friend" (小新V友) IP, an optimistic, technology-savvy and pioneering image, to improve the member stickiness and shopping experience. To further increase member engagement and conversion rate, Changsha Trendy Plaza joined hands with a local cultural and creative brand to create Changsha "imprint" and provided an original design frottage for sharing with members. During the 26th anniversary of Beijing Chongwen Store, more than 7,000 new members were acquired and more than 1,000 "Children VIP Cards" (小新V卡) were offered through events such as free shopping bags for registration and complimentary milk drink for members.

The emerging experience economy is now gaining popularity. The stores actively carried out multi-scenario marketing initiatives through the combination of their own positioning and brand resource matrix, gathering online and offline traffic to realise ground breaking promotion. For example, Beijing Chongwen Store organised activities including the "ACG themed Dance Space in Mix Fashion Block" (MIX街區二次元隨舞空間), gatherings, birthday parties and COSER featuring innovative ACG scenarios, which attracted more traffic in younger age to the stores. Shanghai Pujian Branch Store created a new popular slide attraction, which has drawn more than 15,000 new members through word-of-mouth influence on platforms including Tiktok and Xiaohongshu. Changsha Trendy

Plaza has launched "Travel Squad" (旅遊打卡特種兵) series events, which attracted many tourists and visitors with Changsha cultural and creative merchandise, restaurant guides, and stamp station for photo spot. Wuhan Jianshe Store held a constant matchmaking event "Corner with Love" (新動的角落), and Beijing Liying Store launched an immersive cat show, aiming to create a cosy and friendly business setting. Themed as "Team Up, V-Friends!" (接頭吧！V友), Chongqing Store organised an Artificial Intelligence ("AI") camera parade to create a scene of virtual-real interaction, fostering in-depth engagement with youngsters.

To continuously attract new consumer group, the Group took the initiative to introduce highly engaging and interactive IP premieres and roving exhibitions during the period under review, such as the launch of Shanghai's first reality cosplay show "Zootopia" (瘋狂動物城) at Shanghai Wujiaochang Branch Store, the debut of the POPUP store "Cookie Run: Kingdom" (衝呀！餅乾人王國) in Shanghai Huaihai Branch Store, the introduction of the "Manchester City & Shougang Park" (曼城&首鋼園) themed IP exhibition in Beijing Chongwen Store during its 26th anniversary, and the first showcase of "Capybara" (卡皮巴拉小黃豚) POPUP store in Beijing, which fused trendy culture and commercial atmosphere to create unique memory points for shopping areas in the city.

In terms of joint promotion across industries and brands, the stores utilised their strengths in commercial operations and deployed various external resources to present exciting and interactive events. For example, Shanghai Pujian Branch Store organised the "The Second Bali Chun Tian Cup Table Tennis Ranking Contest" (第二屆巴黎春天盃乒乓球排位賽) with Shanghai Chengshan Branch Store, and held the "Happy Halloween: Trick or Treat" (奇趣萬聖節•不給糖就搗蛋) campaign with "AILU INFANT & NURSERY SCHOOL" (浦東愛綠幼兒園) to attract nearly 300 children to participate enthusiastically. Shanghai Chengshan Branch Store collaborated with tenant "HUH JUMP" (哈準街舞) to launch a street dance competition with a scale of around 300 groups of contestants, and established a long-term cooperation relationship with the "Mengqu Pet

## MANAGEMENT DISCUSSION AND ANALYSIS

Charitable Adoption Organisation” (萌趣寵物公益領養組織), hold the “Charity Pet Adoption Week” (公益寵物領養週) campaign monthly, with participation of over 1,000 guests. Shanghai Shaanxi Road Branch Store held the “VALORANT” (無畏契約) Champions Tour “Wanyoo Esports” (網魚電競) Watch Party to arouse enthusiasm and the sense of belonging of young customers for the gaming community. Shanghai Huaihai Branch Store was the Shanghai station of the National Geographic “WOMEN: BORN TO SHINE” (百年魅力 • 天生出彩) photo exhibition, which effectively enhanced the cultural and artistic atmosphere of the shopping mall. Beijing Liying Store teamed up with “CHAGEE” (霸王茶姬) to precisely target the needs of the white-collar and family clientele by offering free milk tea and other activities.

Currently, consumers are increasingly pursuing cost-effective and one-stop shopping experience, which is particularly obvious in the local lifestyle consumption sector. Against this backdrop, the Group has gathered the strength of various platforms to launch appealing group buying activities to provide members with value-for-money benefits and realise the online-merge-offline business. For instance, Wuhan Jianshe Store collaborated with over 90% of the merchants on site to launch the “V-Friends Festival Dining and Entertainment Card” (V友節吃喝玩樂卡) on the “Meituan” (美團) platform, offering a group purchase of a cross-over coupon package valued at RMB890 at a price of RMB39, which covered a wide range of coupons from merchants. Wuhan Xudong Branch Store launched the “Anniversary Dining and Entertainment Card: Only RMB16” (16元搶周年吃喝玩樂卡) campaign together with online sales platforms such as “New Lab Mini Program” (新閃購小程序), “Meituan” (美團) and “Dianping” (大眾點評). Meanwhile, as the local lifestyle retail industry is characterised by in-store service as pillar and home delivery service as driver, the Group adopted a multi-pronged approach to enhance the efficiency of business delivery, and cooperated with “Meituan Instashopping” (美團閃購) and “JD.com Instant Delivery” (京東秒送) to adjust the layout of instant retail business, of which Beijing Chongwen Store was awarded the top rank in the national department store category of

“Meituan Instashopping” (美團閃購) platform and was honoured the “Exploration and Breakthrough Award” (探索突破獎). Moreover, with increasing personal broadcasting in live streaming industry, the Group has been hosting the online “Tiktok Million Fans Live Streaming” (抖音百萬粉達人直播) and “Crazy Thursdays” (瘋狂星期四) campaign to drive offline traffic and the conversion of group coupons.

### Private Label Business

As at 31 December 2024, the Group operated three large complex supermarkets “New World Supermarket”, which were located in Beijing Chongwen Store, Wuhan Jianshe Store and Yantai Store.

During the period under review, “New World Supermarket” adopted “differentiated operation” approach, and its operation strategy precisely targeted at the market and consumer demands. Wuhan Jianshe Store designated an area of “New Stylish Market” (有新市) to display self-developed brands and set up an online and offline area for Russian specialties. Yantai Store introduced large and small home appliances to expand its offerings in line with the national subsidy policy for home appliances. In terms of community services enhancement, Beijing Chongwen Store set up a community neighbourhood service centre to provide one-stop convenience services such as laundry and clothing alteration, watch repair and key duplication. Yantai Store held Super VIP Day campaigns to offer greater member benefits such as food tasting and gift redemption, and carried out community activities and delivery service.

In addition, the Group has profoundly explored the extension of LOL (Love • Original • Life) in diversified areas, and made every effort to develop new channels and modes of the programme, so as to assemble the ecological value of the LOL brand. For instance, “LOL • FITNESS” (LOL共享健身) will soon be opened in Nanjing Store, encouraging consumers to enjoy a healthier and authentic lifestyle, which is expected to inject sustainable vitality into and stimulate imagination of diversification of the LOL business.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OUTLOOK

The retail industry is currently undergoing revolution and adjustment, as well as seeking new pivots to growth. Consumption trends are also demonstrating significant changes, with increasing rational consumption, rising service consumption, and reshaping merchandising channels in live streaming e-commerce. These reflect the diversification and personalisation of consumer demand. In the face of these changes, it is essential for retailers to stay innovative and adjust their strategies to adapt to changes in the market and consumer demands.

The Group will proactively respond to market changes and search for new drivers for growth. Through continuous business upgrading and category enrichment, the Group will strengthen its product appeal, achieve the close integration of online and offline segments, and establish positive and diversified quality businesses, allowing consumers to enjoy more a pleasant and convenient shopping journey and better consumer experience.

Success only favours those who boldly forge ahead. In the face of the market environment with both challenges and opportunities, the Group will also embrace the situation in terms of merchandise, layout to brand mix, and membership operations to service quality. Building on everyone's aspirations and expectations for a better life, the Group will strive for progress amidst stability and achieve steady improvement in its operation quality.

### FINANCIAL REVIEW

#### Revenue and Other Income

Revenue of the Group was HK\$612.7 million for the six months ended 31 December 2024 ("1HFY2025") (six months ended 31 December 2023 ("1HFY2024"): HK\$694.9 million). The decrease in revenue was primarily due to the decrease in commission income from concessionaire sales and sales of goods – direct sales.

Gross sales proceeds of the Group, comprising proceeds from concessionaire sales and sales of goods for direct sales, rental income, interest income from finance leases as the lessor and other income, was HK\$1,877.2 million in 1HFY2025 (1HFY2024: HK\$2,228.2 million).

The Group's merchandise gross margin (the combination of concessionaire commission rate and direct sales margin) was 13.4% in 1HFY2025 (1HFY2024: 13.9%). In 1HFY2025, ladieswear, menswear and accessories made up approximately 34.7% of proceeds from concessionaire sales and sales of goods for direct sales. Gold, jewellery and watch made up approximately 30.7%, cosmetic products made up approximately 11.6%, sportswear made up approximately 10.8%, and kidswear, groceries, electrical appliances, and housewares largely made up the rest. Direct sales revenue in 1HFY2025 comprised sales of cosmetic products (approximately 78.5%), supermarkets (approximately 19.3%) and other goods (approximately 2.2%).

Rental income of the Group was HK\$295.9 million in 1HFY2025 (1HFY2024: HK\$293.4 million).

Interest income from finance leases as the lessor was HK\$7.0 million in 1HFY2025 compared with HK\$8.4 million in 1HFY2024.

Other income was HK\$171.1 million in 1HFY2025 compared with HK\$187.3 million in 1HFY2024. The decrease was primarily due to the decrease in income from suppliers, concessionaires and tenants.

#### Other Gains, Net

Net other gains was HK\$25.8 million in 1HFY2025 which was primarily resulted from net gain on derecognition of right-of-use assets of HK\$35.0 million and net gain on derecognition of lease liabilities and right-of-use assets of HK\$12.9 million. These gains were partially offset by loss on deregistration of subsidiaries of HK\$4.5 million, and net loss on derecognition and lease modification of finance lease receivables of HK\$17.7 million in total.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Changes in Fair Value of Investment Properties

Loss in fair value of investment properties was HK\$46.2 million in 1HFY2025 which was mainly arose from the decrease in the fair value of the investment properties in Shanghai City and Wuhan City.

### Purchases of and Changes in Inventories, Net

Purchases of and net changes in inventories primarily represented the cost of sales for direct sales of goods. It decreased from HK\$151.3 million in 1HFY2024 to HK\$121.3 million in 1HFY2025. The decrease was in line with the decrease in sales of goods for direct sales in 1HFY2025.

### Purchases of Promotion Items

The purchases of promotion items represented the costs of promotion items transferred to the customers of concessionaire sales and direct sales upon their consumption in department stores or redemption of reward points granted under customer loyalty programme. The purchases of promotion items decreased from HK\$5.2 million in 1HFY2024 to HK\$4.2 million in 1HFY2025, primarily due to changes in promotion activities.

### Employee Benefit Expense

Employee benefit expense decreased from HK\$160.5 million in 1HFY2024 to HK\$151.6 million in 1HFY2025, primarily due to the continuous efforts by the management to carry out cost control measures to reduce staff costs.

### Depreciation

Depreciation expense decreased from HK\$176.5 million in 1HFY2024 to HK\$162.7 million in 1HFY2025, primarily because of the decrease in depreciation of right-of-use assets as a result of the reduction of rent of certain department stores as agreed with the landlords.

### Rental Expense

Rental expense decreased from HK\$37.5 million in 1HFY2024 to HK\$30.8 million in 1HFY2025, primarily due to the decrease in turnover rent of certain department stores.

### Other Operating Expenses, Net

Net other operating expenses decreased from HK\$209.8 million in 1HFY2024 to HK\$178.3 million in 1HFY2025, primarily due to the decrease in compensation expenses and other tax expenses.

### Operating Profit

Operating profit was HK\$114.6 million in 1HFY2025, compared with HK\$121.3 million in 1HFY2024.

### Finance Costs, Net

Net finance costs decreased from HK\$111.4 million in 1HFY2024 to HK\$89.1 million in 1HFY2025, primarily because interest expense on lease liabilities decreased as a result of the reduction of rent of certain department stores as agreed with the landlords. In addition, there was a decrease in average borrowing costs as a result of the drop in Hong Kong Interbank Offered Rate in 1HFY2025.

### Income Tax Expense

Income tax expense increased from HK\$8.2 million in 1HFY2024 to HK\$22.3 million in 1HFY2025, primarily due to the decrease in deferred income tax credits.

### Profit for the period

As a result of the reasons mentioned above, profit for the period was HK\$3.1 million in 1HFY2025, compared with HK\$1.7 million in 1HFY2024.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Liquidity and Financial Resources

Fixed deposits with original maturity over three months and cash and bank balances of the Group amounted to HK\$803.2 million as at 31 December 2024 (30 June 2024: HK\$875.3 million).

As at 31 December 2024, the Group's borrowings were HK\$1,418.0 million (30 June 2024: HK\$1,469.3 million).

As at 31 December 2024, the Group was in net debt position of HK\$614.8 million (30 June 2024: HK\$594.0 million).

As at 31 December 2024, the Group's current liabilities exceeded its current assets by HK\$2,558.8 million (30 June 2024: HK\$2,606.4 million). The Group will continue to monitor rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs and liabilities and commitments as and when they fall due.

The capital commitments of the Group as at 31 December 2024 were HK\$60.7 million (30 June 2024: HK\$42.6 million) which were contracted but not provided for in the condensed consolidated statement of financial position.

### Pledge of Assets

As at 31 December 2024, the Group did not have any pledge of assets (30 June 2024: nil).

### Treasury Policies

The Group mainly operates in Mainland China with most of the transactions denominated in RMB. The Group is mainly exposed to foreign exchange risk arising from Hong Kong dollar against RMB. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures.

### Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 December 2024.

### Acquisition and Disposal

The Group did not have any significant acquisition and disposal in 1HFY2025.

# CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2024

		Unaudited	
		Six months ended 31 December	
	Note	2024 HK\$'000	2023 HK\$'000
Revenue	6	612,703	694,900
Other income	7	171,126	187,270
Other gains, net	8	25,764	24,064
Changes in fair value of investment properties		(46,194)	(44,021)
Purchases of and changes in inventories, net		(121,274)	(151,334)
Purchases of promotion items		(4,233)	(5,233)
Employee benefit expense	9	(151,594)	(160,538)
Depreciation		(162,688)	(176,528)
Rental expense		(30,780)	(37,511)
Other operating expenses, net	10	(178,267)	(209,777)
<b>Operating profit</b>		<b>114,563</b>	121,292
Finance income		7,003	9,779
Finance costs		(96,141)	(121,198)
Finance costs, net	11	(89,138)	(111,419)
<b>Profit before income tax</b>		<b>25,425</b>	9,873
Income tax expense	12	(22,317)	(8,216)
<b>Profit for the period</b>		<b>3,108</b>	1,657
<b>Earnings per share attributable to shareholders of the Company for the period (expressed in HK\$ per share)</b>			
– Basic and diluted	14	0.002	0.001

The notes on pages 20 to 46 are an integral part of this condensed consolidated financial information.

# — CONDENSED CONSOLIDATED STATEMENT — OF COMPREHENSIVE INCOME

For the six months ended 31 December 2024

	<b>Unaudited</b>	
	<b>Six months ended 31 December</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Profit for the period	<b>3,108</b>	1,657
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Revaluation of properties upon reclassification from property, plant and equipment and right-of-use assets to investment properties	<b>22,809</b>	—
– Deferred income tax thereof	<b>(5,702)</b>	—
	<b>17,107</b>	—
<i>Items that may be reclassified subsequently to profit and loss</i>		
Translation differences	<b>(269)</b>	55,429
Release of exchange reserve upon deregistration of subsidiaries	<b>4,506</b>	10,978
	<b>4,237</b>	66,407
<b>Other comprehensive income for the period, net of tax</b>	<b>21,344</b>	66,407
<b>Total comprehensive income for the period</b>	<b>24,452</b>	68,064

The notes on pages 20 to 46 are an integral part of this condensed consolidated financial information.

# — CONDENSED CONSOLIDATED STATEMENT — OF FINANCIAL POSITION

As at 31 December 2024

	Note	Unaudited As at 31 December 2024 HK\$'000	Audited As at 30 June 2024 HK\$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investment properties	15	4,571,353	4,556,235
Property, plant and equipment	16	664,986	704,300
Right-of-use assets	17	1,997,566	2,202,384
Intangible assets	19	1,011,973	1,011,973
Interest in an associated company		—	—
Prepayments, deposits and other receivables		158,253	151,881
Finance lease receivables	20	196,148	235,848
Financial assets at fair value through profit or loss	21	85,278	85,278
Deferred income tax assets		86,887	86,681
		8,772,444	9,034,580
<b>Current assets</b>			
Inventories	22	70,992	63,658
Debtors	23	25,782	21,303
Prepayments, deposits and other receivables		109,301	118,776
Finance lease receivables	20	92,923	89,931
Amounts due from fellow subsidiaries	24	1,430	1,184
Amounts due from related companies		—	826
Fixed deposits with original maturity over three months		413,208	305,612
Cash and bank balances		389,949	569,643
		1,103,585	1,170,933
<b>Total assets</b>		<b>9,876,029</b>	<b>10,205,513</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	25	168,615	168,615
Reserves	26	3,235,959	3,211,507
<b>Total equity</b>		<b>3,404,574</b>	<b>3,380,122</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	Unaudited As at 31 December 2024 HK\$'000	Audited As at 30 June 2024 HK\$'000
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	27	1,968,238	2,212,827
Deferred income tax liabilities		840,827	835,258
		<b>2,809,065</b>	3,048,085
<b>Current liabilities</b>			
Creditors	28	461,760	442,928
Accruals and other payables		1,036,474	1,080,422
Lease liabilities	27	414,097	461,283
Contract liabilities		131,550	122,208
Amounts due to fellow subsidiaries	24	8,549	8,097
Amounts due to related companies	24	31,471	40,614
Amounts due to the ultimate holding company	24	100,303	101,035
Borrowings	29	1,417,976	1,469,297
Tax payable		60,210	51,422
		<b>3,662,390</b>	3,777,306
<b>Total liabilities</b>		<b>6,471,455</b>	6,825,391
<b>Total equity and liabilities</b>		<b>9,876,029</b>	10,205,513

The notes on pages 20 to 46 are an integral part of this condensed consolidated financial information.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2024

	Share capital HK\$'000	Share premium HK\$'000	Property revaluation reserve HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
As at 1 July 2024	168,615	1,826,646	376,891	391,588	549,385	(240,442)	307,439	3,380,122
Profit for the period	-	-	-	-	-	-	3,108	3,108
<b>Other comprehensive income</b>								
Revaluation of property upon reclassification right-of-use assets to investment properties	-	-	22,809	-	-	-	-	22,809
– Deferred income tax thereof	-	-	(5,702)	-	-	-	-	(5,702)
Translation differences	-	-	-	-	-	(269)	-	(269)
Release of exchange reserve upon deregistration of subsidiaries	-	-	-	-	-	4,506	-	4,506
Total comprehensive income for the six months ended 31 December 2024	-	-	17,107	-	-	4,237	3,108	24,452
<b>Transactions with owners</b>								
Transfer to statutory reserve	-	-	-	-	1,974	-	(1,974)	-
Release of statutory reserve upon deregistration of a subsidiary	-	-	-	-	(4,458)	-	4,458	-
Total transactions with owners	-	-	-	-	(2,484)	-	2,484	-
As at 31 December 2024 – Unaudited	168,615	1,826,646	393,998	391,588	546,901	(236,205)	313,031	3,404,574
As at 1 July 2023	168,615	1,826,646	376,891	391,588	544,856	(232,234)	298,654	3,375,016
Profit for the period	-	-	-	-	-	-	1,657	1,657
<b>Other comprehensive income</b>								
Translation differences	-	-	-	-	-	55,429	-	55,429
Release of exchange reserve upon deregistration of subsidiaries	-	-	-	-	-	10,978	-	10,978
Total comprehensive income for the six months ended 31 December 2023	-	-	-	-	-	66,407	1,657	68,064
<b>Transactions with owners</b>								
Transfer to statutory reserve	-	-	-	-	671	-	(671)	-
Total transactions with owners	-	-	-	-	671	-	(671)	-
As at 31 December 2023 – Unaudited	168,615	1,826,646	376,891	391,588	545,527	(165,827)	299,640	3,443,080

The notes on pages 20 to 46 are an integral part of this condensed consolidated financial information.



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2024

	Unaudited Six months ended 31 December	
	2024 HK\$'000	2023 HK\$'000
<b>Cash flows from operating activities</b>		
Net cash generated from operating activities	235,808	251,605
<b>Cash flows from investing activities</b>		
Additions to investment properties	(14,573)	(4,273)
Additions to property, plant and equipment	(36,162)	(42,359)
Proceeds from disposal of property, plant and equipment	5	40
Placement in fixed deposits with original maturity over three months	(276,395)	(15,372)
Withdrawal of fixed deposits with original maturity over three months	167,629	15,294
Principal portion of finance lease received as the lessor	53,291	41,260
Interest portion of finance lease received as the lessor	6,999	8,429
Interest received	17,761	4,050
<b>Net cash (used in)/from investing activities</b>	<b>(81,445)</b>	7,069
<b>Cash flows from financing activities</b>		
Drawdown of bank borrowings	5,174	65,071
Repayment of bank borrowings	(57,416)	–
Principal portion of lease payments as the lessee	(207,702)	(225,662)
Interest portion of lease payments as the lessee	(57,615)	(78,324)
Finance costs paid	(18,447)	(21,829)
<b>Net cash used in financing activities</b>	<b>(336,006)</b>	(260,744)
<b>Net decrease in cash and cash equivalents</b>	<b>(181,643)</b>	(2,070)
Cash and cash equivalents as at 1 July	569,643	524,327
Effect of foreign exchange rate changes	1,949	7,942
<b>Cash and cash equivalents as at 31 December</b>	<b>389,949</b>	530,199

The notes on pages 20 to 46 are an integral part of this condensed consolidated financial information.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 1 GENERAL INFORMATION

New World Department Store China Limited (the “Company”) was incorporated in the Cayman Islands on 25 January 2007 as an exempted company with limited liability under the Companies Law, (Cap. 22) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company and its subsidiaries (together, the “Group”) are engaged in department store and property investment operations in Mainland China.

The Company’s shares were listed on the Main Board of the Stock Exchange on 12 July 2007.

This condensed consolidated financial information is presented in Hong Kong dollars (“HK\$”), unless otherwise stated. This condensed consolidated financial information has been approved for issue by the board of directors of the Company on 27 February 2025.

## 2 BASIS OF PREPARATION

This condensed consolidated financial information of the Group for the six months ended 31 December 2024 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

This condensed consolidated financial information should be read in conjunction with the Company’s annual consolidated financial statements for the year ended 30 June 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

As at 31 December 2024, the Group had net current liabilities of approximately HK\$2,558,805,000, which included short term bank borrowings of approximately HK\$704,976,000 and shareholder loans of HK\$713,000,000 from NWD, the ultimate holding company.

The directors of the Company (the “Directors”) have reviewed the Group’s cash flow projections, which cover a period of twelve months from the end of the reporting period and have considered available information, among others, internally generated funds and financial resources (as described below) available to the Group in assessing the going concern basis in the preparation of the condensed consolidated financial information.

The Group’s shareholder loans from NWD will mature within the next 12 months from 31 December 2024. NWD has confirmed its intention to renew the shareholder loans for another 12 months upon their maturity and to continue to act as guarantor of the Group’s bank borrowings. As at 31 December 2024, short term bank borrowings included in current liabilities of approximately HK\$699,857,000 were guaranteed by NWD.

In addition, one of the Group’s principal banks has indicated its intention to renew the short term bank borrowings of approximately HK\$494,857,000 for another 12 months upon their maturity.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 2 BASIS OF PREPARATION (Continued)

The Directors, having made all necessary enquiries of the directors of NWD in terms of NWD's ability to continue to provide the shareholder loans and to act as the guarantor of the Group's bank borrowings, and NWD's compliance with banking requirements, are confident that NWD is able to provide the shareholder loans to the Group and that the short term bank borrowings can be renewed upon their maturity in view of the Group's track record of successful renewal of the short term bank borrowings and the continued guarantee provided by NWD.

The Directors are of the opinion that, taking into account the anticipated cash flows generated from the Group's operation, the availability of the bank borrowing facilities and successful renewal of the shareholder loans as and when needed, the Group will have adequate resources to continue its operations for the foreseeable future and to meet its financial obligations as and when they fall due in the next 12 months from 31 December 2024. Accordingly, the Directors consider it is appropriate to prepare the condensed consolidated financial information on a going concern basis.

## 3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied in the condensed consolidated financial information are consistent with those of the Company's annual consolidated financial statements for the year ended 30 June 2024.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

### Adoption of amendments to standards and interpretation

For the six months ended 31 December 2024, the Group has adopted the following amendments to standards and interpretation, which are mandatory for the accounting period beginning on 1 July 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of the above amendments to standards and interpretation does not have any significant effect on the results and financial position of the Group.

## 4 ESTIMATES

The preparation of this condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual consolidated financial statements for the year ended 30 June 2024.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: including foreign exchange risk, credit risk, liquidity risk and interest rate risk.

This condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements for the year ended 30 June 2024.

There have been no changes in the risk management policies since the last financial year end.

### 5.2 Liquidity risk

The liquidity risk of the Group is managed by maintaining sufficient cash and cash equivalents (which is primarily generated from the operating cash flows), and sufficient banking facilities available to the Group (including those bank loans subject to annual renewals).

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Carrying amounts HK\$'000	Total contractual undiscounted cash flows HK\$'000	Within 1 year or on demand HK\$'000	Over 1 year but within 5 years HK\$'000	More than 5 years HK\$'000
<i>As at 31 December 2024</i>					
Creditors	461,760	461,760	461,760	—	—
Other payables	813,494	813,494	813,494	—	—
Amounts due to fellow subsidiaries	8,549	8,549	8,549	—	—
Amounts due to related companies	31,471	31,471	31,471	—	—
Amounts due to the ultimate holding company	100,303	100,303	100,303	—	—
Borrowings	1,417,976	1,494,387	1,494,387	—	—
Lease liabilities	2,382,335	3,099,527	432,663	1,674,352	992,512

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

#### 5.2 Liquidity risk (Continued)

	Carrying amounts HK\$'000	Total contractual undiscounted cash flows HK\$'000	Within 1 year or on demand HK\$'000	Over 1 year but within 5 years HK\$'000	More than 5 years HK\$'000
<i>As at 30 June 2024</i>					
Creditors	442,928	442,928	442,928	–	–
Other payables	782,081	782,081	782,081	–	–
Amounts due to fellow subsidiaries	8,097	8,097	8,097	–	–
Amounts due to related companies	40,614	40,614	40,614	–	–
Amounts due to the ultimate holding company	101,035	101,035	101,035	–	–
Borrowings	1,469,297	1,552,925	1,552,925	–	–
Lease liabilities	2,674,110	3,489,726	484,736	1,656,839	1,348,151

#### 5.3 Fair value of financial assets and liabilities measured at amortised cost

The fair value of the following financial assets and liabilities approximate their carrying amounts since they are expected to be recovered or settled within twelve months from the reporting date, repayable on demand or bear interest at variable rates:

- Debtors
- Deposits and other receivables under current assets
- Finance lease receivables under current assets
- Fixed deposits with original maturity over three months
- Cash and bank balances
- Creditors
- Other payables
- Amounts due from/to fellow subsidiaries, related companies and the ultimate holding company
- Borrowings

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

#### 5.4 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The carrying amounts of the financial instruments of the Group are as follows:

- Listed instrument is stated at market price. The quoted market price used for financial asset held by the Group is the bid price at the end of the reporting period. It is included in level 1.
- Unlisted investment is stated at fair value which is estimated using valuation techniques when the market price is not readily available. If all significant inputs required to estimate the fair value of an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents the Group's financial assets at fair value through profit or loss ("FVPL") that is measured at fair value:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<i>As at 31 December 2024</i>				
Financial assets at FVPL	–	–	85,278	85,278
<i>As at 30 June 2024</i>				
Financial assets at FVPL	–	–	85,278	85,278

The following table presents the changes in financial assets at FVPL in level 3 financial instruments for the six months ended 31 December 2024:

	HK\$'000
As at 1 July 2024 and 31 December 2024 (unaudited)	85,278
As at 1 July 2023	66,494
Fair value loss	(1,316)
Translation difference	1,074
As at 31 December 2023 (unaudited)	66,252



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 6 REVENUE AND SEGMENT INFORMATION

	Unaudited	
	Six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Commission income from concessionaire sales	178,649	228,255
Sales of goods – direct sales	131,162	164,835
Revenue from contracts with customers	309,811	393,090
Rental income	295,893	293,381
Interest income from finance leases as the lessor	6,999	8,429
	612,703	694,900

The income from concessionaire sales is analysed as follows:

	Unaudited	
	Six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Proceeds from concessionaire sales	1,272,022	1,574,327
Commission income from concessionaire sales	178,649	228,255

Revenue from contracts with customers was recognised at a point in time.

The chief operating decision-maker (“CODM”) has been identified as executive directors of the Company. The CODM reviews the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM considers that the Group has department store and property investment businesses. The CODM assesses the performance of the operating segments based on their revenue and operating results. The measurement of segment operating results excludes the effect of other gains/(losses), net, changes in fair value of investment properties and net unallocated corporate (expenses)/income. In addition, net finance costs is not allocated to segments. The measurement of segment assets excludes deferred income tax assets and unallocated corporate assets. There is no inter-segment sales.

Revenue is primarily generated in Mainland China and all significant operating assets of the Group are located in Mainland China.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 6 REVENUE AND SEGMENT INFORMATION (Continued)

	Department store business HK\$'000	Property investment business HK\$'000	Consolidated HK\$'000
<i>Six months ended 31 December 2024</i>			
Segment revenue	510,287	102,416	612,703
Segment operating results	62,552	88,802	151,354
Other gains/(losses), net	26,289	(525)	25,764
Changes in fair value of investment properties	–	(46,194)	(46,194)
Unallocated corporate expenses, net			(16,361)
Operating profit			114,563
Finance income			7,003
Finance costs			(96,141)
Finance costs, net			(89,138)
Profit before income tax			25,425
Income tax expense			(22,317)
Profit for the period			3,108

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 6 REVENUE AND SEGMENT INFORMATION (Continued)

	Department store business HK\$'000	Property investment business HK\$'000	Consolidated HK\$'000
<i>Six months ended 31 December 2023</i>			
Segment revenue	588,152	106,748	694,900
Segment operating results	69,283	64,189	133,472
Other gains/(losses), net	26,343	(963)	25,380
Changes in fair value of investment properties	–	(44,021)	(44,021)
Unallocated corporate income, net			6,461
Operating profit			121,292
Finance income			9,779
Finance costs			(121,198)
Finance costs, net			(111,419)
Profit before income tax			9,873
Income tax expense			(8,216)
Profit for the period			1,657

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 6 REVENUE AND SEGMENT INFORMATION (Continued)

	Department store business HK\$'000	Property investment business HK\$'000	Consolidated HK\$'000
<i>As at 31 December 2024</i>			
Segment assets	4,756,606	4,937,360	9,693,966
Deferred income tax assets	86,887	–	86,887
Unallocated corporate assets:			
Cash and bank balances			9,601
Others			85,575
Total assets			9,876,029
<i>Six months ended 31 December 2024</i>			
Additions to non-current assets (Note)	23,419	15,363	38,782
Depreciation	162,066	622	162,688
Reversal of loss allowance of debtors and other receivables, net	(423)	(2)	(425)
Gain on derecognition of lease liabilities and right-of-use assets, net (Note 8 (i))	(12,917)	–	(12,917)
Gain on derecognition of right-of-use assets, net (Note 8 (ii))	(35,045)	–	(35,045)
Loss on derecognition and lease modification of finance lease receivables, net	17,128	524	17,652

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 6 REVENUE AND SEGMENT INFORMATION (Continued)

	Department store business HK\$'000	Property investment business HK\$'000	Consolidated HK\$'000
<i>As at 30 June 2024</i>			
Segment assets	5,105,939	4,923,373	10,029,312
Deferred income tax assets	86,681	–	86,681
Unallocated corporate assets:			
Cash and bank balances			3,988
Others			85,532
Total assets			10,205,513
<i>Six months ended 31 December 2023</i>			
Additions to non-current assets (Note)	216,125	6,093	222,218
Depreciation	175,911	617	176,528
Loss allowance/(reversal of loss allowance) of debtors and other receivables, net	2,648	(73)	2,575
Gain on derecognition of lease liabilities (Note 8(i))	(51,130)	–	(51,130)
Loss on derecognition of right-of-use assets, net (Note 8(ii))	4,627	–	4,627
Loss on derecognition and lease modification of finance lease receivables, net	9,136	963	10,099

Note:

Additions to non-current assets represent additions to non-current assets other than financial instruments and deferred income tax assets.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 7 OTHER INCOME

	<b>Unaudited</b>	
	<b>Six months ended 31 December</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Income from supplies, concessionaires and tenants		
– Administration and management fees	<b>86,139</b>	92,947
– Credit card handling fees	<b>14,180</b>	16,891
– Promotion and related fees	<b>16,464</b>	13,704
Car park income	<b>4,431</b>	4,594
Government grants	<b>4,279</b>	7,431
Sundries	<b>45,633</b>	51,703
	<b>171,126</b>	187,270

### 8 OTHER GAINS, NET

	<b>Unaudited</b>	
	<b>Six months ended 31 December</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Loss on deregistration of subsidiaries	<b>(4,506)</b>	(10,980)
Loss on fair value of financial assets at FVPL, net	<b>–</b>	(1,316)
Loss on disposal of property, plant and equipment, net	<b>(40)</b>	(44)
Gain on derecognition of lease liabilities and right-of-use assets, net (Note (i))	<b>12,917</b>	51,130
Gain/(loss) on derecognition of right-of-use assets, net (Note (ii))	<b>35,045</b>	(4,627)
Loss on derecognition of finance lease receivables, net	<b>(13,131)</b>	(8,719)
Loss on lease modification of finance lease receivables, net	<b>(4,521)</b>	(1,380)
	<b>25,764</b>	24,064

Notes:

- (i) Gain on derecognition of lease liabilities and right-of-use assets, net for the six months ended 31 December 2023 was due to closure of certain department stores.
- (ii) Gain/(loss) on derecognition of right-of-use assets, net, is recognised at the inception of subleases to tenants which are accounted for as finance lease receivables



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 9 EMPLOYEE BENEFIT EXPENSE

	Unaudited	
	Six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Wages, salaries and other benefits	135,708	142,518
Retirement benefit costs – defined contribution plans	15,886	18,020
	151,594	160,538

### 10 OTHER OPERATING EXPENSES, NET

	Unaudited	
	Six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Property management and related expenses	58,305	60,847
Electricity and water expenses	45,577	47,528
Selling, promotion, advertising and related expenses	15,622	18,742
Auditor's remuneration		
– Audit services	1,950	1,988
– Non-audit services	640	699
Net exchange loss/(gain)	339	(25,731)
Other tax expenses	38,190	46,729
(Reversal of loss allowance)/loss allowance of debtors, net	(1,379)	1,363
Loss allowance of other receivables, net	954	1,212
Compensation expenses	554	14,004
Others (Note)	17,515	42,396
	178,267	209,777

Note:

Others included credit card handling fees, legal and professional fees and insurance expenses etc.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 11 FINANCE COSTS, NET

	Unaudited Six months ended 31 December	
	2024 HK\$'000	2023 HK\$'000
Interest income on bank deposits	(7,003)	(9,779)
Interest expense on bank loans	19,026	21,344
Interest expense on shareholder loans	19,500	21,530
Interest expense on lease liabilities	57,615	78,324
	96,141	121,198
	89,138	111,419

### 12 INCOME TAX EXPENSE

The amounts of taxation charged to profit or loss represent:

	Unaudited Six months ended 31 December	
	2024 HK\$'000	2023 HK\$'000
Current income tax		
– Mainland China taxation	22,598	21,522
– Under-provision in prior years	–	153
Deferred income tax		
– Temporary differences	(281)	(13,459)
	22,317	8,216

Taxation has been provided at the tax rates prevailing in the tax jurisdictions in which the members of the Group operate. No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit in Hong Kong for the six months ended 31 December 2024 and 2023.

Subsidiaries of the Company in Mainland China are subject to corporate income tax at the statutory tax rate of 25% (2023: 25%).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 13 DIVIDENDS

The Directors have resolved not to declare an interim dividend for the six months ended 31 December 2024 (2023: nil).

### 14 EARNINGS PER SHARE

#### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited Six months ended 31 December	
	2024	2023
Profit attributable to shareholders of the Company (HK\$'000)	3,108	1,657
Weighted average number of ordinary shares in issue (shares in thousands)	1,686,145	1,686,145
Basic earnings per share (HK\$ per share)	0.002	0.001

#### (b) Diluted

Diluted earnings per share for the six months ended 31 December 2024 and 2023 are equal to basic earnings per share as there was no dilutive potential ordinary share in issue.

### 15 INVESTMENT PROPERTIES

During the six months ended 31 December 2024, the Group had additions to investment properties of approximately HK\$1,232,000 (2023: HK\$5,950,000).

Investment properties as at 31 December 2024 were valued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent professional valuer. The valuations are derived using the income approach. This approach is based on the capitalisation of net income with due allowance for outgoings and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of rental/sale transactions and valuer's interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation are referenced to valuers' view of recent lettings, within the subject properties and other comparable properties.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 16 PROPERTY, PLANT AND EQUIPMENT

For the six months ended 31 December 2024, the Group had additions to property, plant and equipment of approximately HK\$23,942,000 (2023: HK\$64,526,000) and disposals of property, plant and equipment with carrying amount of approximately HK\$45,000 (2023: HK\$83,000).

### 17 RIGHT-OF-USE ASSETS

	Prepaid leasehold land HK\$'000	Buildings, plant and machinery and others HK\$'000	Total HK\$'000
As at 1 July 2024	600,508	1,601,876	2,202,384
Lease modification	–	(74,327)	(74,327)
Derecognition	–	(33,840)	(33,840)
Depreciation	(11,815)	(105,693)	(117,508)
Transfer to investment properties	(18,421)	–	(18,421)
Transfer from finance lease receivables	–	37,050	37,050
Translation differences	325	1,903	2,228
As at 31 December 2024 – Unaudited	570,597	1,426,969	1,997,566
As at 30 June 2024 – Audited	600,508	1,601,876	2,202,384

### 18 IMPAIRMENT TESTS FOR PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Property, plant and equipment and right-of-use assets were allocated to the Group's CGUs identified. For the purpose of impairment test, the recoverable amounts of CGUs were determined based on the higher of fair value less costs of disposal and value in use calculation.

The recoverable amounts of property, plant and equipment and right-of-use assets were determined either:

- (i) by way of cash flow projections based on financial estimates covering a period over the lease term and an average pre-tax discount rate of 14.8% (30 June 2024: 35.4%) or the equivalent of a post-tax discount rate of 11.3% (30 June 2024: 11.4%); or
- (ii) with reference to the valuation of the corresponding properties as at 31 December 2024 by an independent professional valuer.

The key assumptions used in the impairment assessment, where discounted cash flow model was adopted based on value in use model, were average annual gross revenue growth rates ranging from 3% to 7% (30 June 2024: –22% to 5%), average gross margin ratios of 9% (30 June 2024: ranging from 8% to 13%) and discount rate which were based on management's best estimates and reflect specific risks relating to the relevant businesses.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 18 IMPAIRMENT TESTS FOR PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

The key assumptions used in the impairment assessments, with reference to the independent valuation of the underlying properties of the CGUs, were capitalisation rates, prevailing market rents and estimated transaction costs of disposal. The capitalisation rates adopted in the valuation were derived from analysis of rental/sale transactions and valuer's interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation were referenced to valuers' view of recent lettings, within the subject properties and other comparable properties.

For the six months ended 31 December 2024 and 2023, no impairment loss on property, plant and equipment and right-of-use assets was recognised.

If the annual gross revenue had been 15% (2023: 15%) lower than management's current estimates, there would have been impairment losses of approximately HK\$2,646,000 (2023: HK\$121,218,000).

If the gross margin ratios had been 1% (2023: 1%) lower than management's current estimates, there would have been no material adverse impact to the condensed consolidated financial information (2023: impairment losses of approximately HK\$1,198,000).

If the discount rate had been 0.5% (2023: 0.5%) higher than management's current estimates, there would have been no material adverse impact (2023: no material adverse impact) to the condensed consolidated financial information.

If the fair value of the corresponding properties had been 1% (2023: 1%) lower with all other variables held constant, there would have been no material adverse impact (2023: no material adverse impact) to the condensed consolidated financial information.

### 19 INTANGIBLE ASSETS

As at 31 December 2024, goodwill allocated to CGUs of the department store business and CGUs of the property investment business was approximately HK\$781,487,000 (30 June 2024: HK\$781,487,000) and HK\$230,486,000 (30 June 2024: HK\$230,486,000) respectively. For the purpose of impairment test, the recoverable amount of each CGU was determined based on the higher of fair value less costs of disposal and value in use calculations. The recoverable amounts of CGUs of the department store business and CGUs of the property investment business were measured using the discounted cash flow projections and the fair value of the corresponding properties respectively.

The cash flow projections were based on financial estimates covering a five-year period and a post-tax discount rate. Cash flows beyond the five-year period were extrapolated using the estimated growth rates, where applicable.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 19 INTANGIBLE ASSETS (Continued)

The key assumptions used in the cash flow projections based on the fair value less costs of disposal calculation, where applicable, were as follows:

- (i) average annual gross revenue growth rate ranging from 2% to 24% (30 June 2024: 3% to 26%) and average gross margin ratios ranging from 13% to 17% (30 June 2024: 13% to 15%), which were determined by considering both internal and external factors relating to the businesses of each CGU and consistent with the forecast of the businesses; and
- (ii) post-tax discount rate ranging from 11.3% to 11.4% (30 June 2024: 14.5%) which reflected specific risks relating to the relevant businesses.

The key assumptions used in the impairment assessments, with reference to the latest independent valuation of the underlying properties of the CGUs, were capitalisation rates, prevailing market rents and estimated transaction costs of disposal. The capitalisation rates adopted in the valuation were derived from analysis of rental/sale transactions and valuer's interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation were referenced to valuers' view of recent lettings, within the subject properties and other comparable properties.

For the six months ended 31 December 2024 and 2023, no impairment loss on intangible assets was recognised.

If the annual gross revenue had been 15% (2023: 15%) lower than management's current estimates, there would have been impairment losses of approximately HK\$594,162,000 (2023: HK\$538,020,000).

If the gross margin ratios had been 1% (2023: 1%) lower than management's current estimates, there would have been impairment losses of approximately HK\$57,213,000 (2023: HK\$79,081,000).

If the discount rate had been 0.5% (2023: 0.5%) higher than management's current estimates, there would have been impairment losses of approximately HK\$63,326,000 (2023: HK\$51,863,000).

If the fair value of the corresponding properties in relation to the goodwill allocated to CGUs of the property investment business had been 1% (2023: 1%) lower with all other variables held constant, there would have been no material adverse impact (2023: no material adverse impact) to the condensed consolidated financial information.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 20 FINANCE LEASE RECEIVABLES

	Unaudited As at 31 December 2024 HK\$'000	Audited As at 30 June 2024 HK\$'000
Finance lease receivables	285,644	329,688
Unguaranteed residual values	26,007	25,526
Gross investment in finance leases	311,651	355,214
Less: unearned finance income	(20,595)	(27,442)
Net investment in finance leases	291,056	327,772
Less: accumulated allowance for impairment	(1,985)	(1,993)
Finance lease receivables – net	289,071	325,779
Of which are:		
Current finance lease receivables	92,923	89,931
Non-current finance lease receivables	196,148	235,848
	289,071	325,779

The table below analyses the Group's gross investment in finance leases by relevant maturity groupings at the end of each reporting period:

	Unaudited As at 31 December 2024 HK\$'000	Audited As at 30 June 2024 HK\$'000
Gross investment in finance leases		
Within one year	105,572	104,564
In the second to fifth year	178,121	215,286
After the fifth year	27,958	35,364
	311,651	355,214

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>Unaudited As at 31 December 2024 HK\$'000</b>	<b>Audited As at 30 June 2024 HK\$'000</b>
Unlisted securities, at fair value	85,278	85,278

The carrying amounts of the financial assets at fair value through profit or loss were denominated in the following currencies:

	<b>Unaudited As at 31 December 2024 HK\$'000</b>	<b>Audited As at 30 June 2024 HK\$'000</b>
HK\$	20,000	20,000
United States dollars ("USD")	65,278	65,278
	<b>85,278</b>	<b>85,278</b>

### 22 INVENTORIES

	<b>Unaudited As at 31 December 2024 HK\$'000</b>	<b>Audited As at 30 June 2024 HK\$'000</b>
Finished goods	70,992	63,658

The cost of inventories recognised as expense and included in "purchases of and changes in inventories, net" amounted to approximately HK\$121,274,000 (2023: HK\$151,334,000), which included reversal of inventory write-down, net of approximately HK\$7,000 (2023: HK\$191,000).



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 23 DEBTORS

	<b>Unaudited As at 31 December 2024 HK\$'000</b>	Audited As at 30 June 2024 HK\$'000
Debtors	<b>31,813</b>	28,963
Less: loss allowance	<b>(6,031)</b>	(7,660)
Debtors, net	<b>25,782</b>	21,303

The Group grants credit terms within 30 days in majority. Ageing analysis of the net debtors, based on the invoice dates, is as follows:

	<b>Unaudited As at 31 December 2024 HK\$'000</b>	Audited As at 30 June 2024 HK\$'000
Within period for		
0 – 30 days	<b>22,613</b>	17,865
31 – 60 days	<b>605</b>	815
61 – 90 days	<b>37</b>	194
Over 90 days	<b>2,527</b>	2,429
	<b>25,782</b>	21,303

The individually impaired receivables mainly relate to tenants, which were in unexpectedly difficult economic situations.

The debtors were primarily denominated in Renminbi ("RMB").

### 24 AMOUNTS DUE FROM/(TO) FELLOW SUBSIDIARIES, RELATED COMPANIES AND THE ULTIMATE HOLDING COMPANY

As at 31 December 2024 and 30 June 2024, the balances with fellow subsidiaries and related companies were unsecured, interest free, repayable on demand and denominated in RMB.

As at 31 December 2024, the amounts due to the ultimate holding company were unsecured, interest free, repayable on demand, out of which, balances of HK\$79,873,000 (30 June 2024: HK\$79,873,000) were denominated in USD and balances of HK\$20,430,000 (30 June 2024: HK\$21,162,000) were denominated in HK\$.

The related companies represent the joint ventures of NWD, Chow Tai Fook Jewellery Group Limited and its subsidiaries ("CTFJ Group") and members of the companies controlled by Mr. Doo Wai-hoi ("Mr. Doo") who is a director of NWD.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 25 SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.1 each, issued and fully paid: As at 30 June 2023 and 2024 (audited) and 31 December 2023 and 2024 (unaudited)	1,686,145	168,615

### 26 RESERVES

	Share premium HK\$'000	Property revaluation reserve HK\$'000	Capital reserve HK\$'000	Statutory reserve (Note) HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
As at 1 July 2024	1,826,646	376,891	391,588	549,385	(240,442)	307,439	3,211,507
Profit for the period	–	–	–	–	–	3,108	3,108
Revaluation of properties upon reclassification from property, plant and equipment and right-of-use assets to investment properties, net of tax	–	17,107	–	–	–	–	17,107
Translation differences	–	–	–	–	(269)	–	(269)
Release of exchange reserve upon deregistration of subsidiaries	–	–	–	–	4,506	–	4,506
Transfer to statutory reserve	–	–	–	1,974	–	(1,974)	–
Release of statutory reserve upon deregistration of a subsidiary	–	–	–	(4,458)	–	4,458	–
As at 31 December 2024 – Unaudited	1,826,646	393,998	391,588	546,901	(236,205)	313,031	3,235,959
As at 1 July 2023	1,826,646	376,891	391,588	544,856	(232,234)	298,654	3,206,401
Profit for the period	–	–	–	–	–	1,657	1,657
Translation differences	–	–	–	–	55,429	–	55,429
Release of exchange reserve upon deregistration of subsidiaries	–	–	–	–	10,978	–	10,978
Transfer to statutory reserve	–	–	–	671	–	(671)	–
As at 31 December 2023 – Unaudited	1,826,646	376,891	391,588	545,527	(165,827)	299,640	3,274,465

Note:

Upon conversion of the Group's PRC subsidiaries into wholly-owned foreign enterprises in 2007 and pursuant to the relevant PRC Law and articles of association of the subsidiaries of the Company established in the PRC, they are required to appropriate 10% of their statutory net profit to the enterprise expansion fund. The enterprise expansion fund can only be used to increase capital of group companies or to expand their production operation upon approval by the relevant authority.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 27 LEASE LIABILITIES

Lease liabilities were measured at the present value of the remaining leases payments, discounted at the relevant incremental borrowing rates, and the aggregate effect is as follows:

	HK\$'000
As at 1 July 2024	2,674,110
Lease payments made during the period	(265,317)
Lease modification	(87,244)
Interest expenses on lease liabilities	57,615
Translation differences	3,171
As at 31 December 2024 – Unaudited	2,382,335
Of which are:	
Current lease liabilities	414,097
Non-current lease liabilities	1,968,238
	2,382,335
As at 30 June 2024 – Audited	2,674,110
Of which are:	
Current lease liabilities	461,283
Non-current lease liabilities	2,212,827
	2,674,110

Lease liabilities included lease liabilities to fellow subsidiaries and related companies of approximately HK\$188,372,000 (30 June 2024: HK\$198,352,000).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 28 CREDITORS

The Group normally receives credit terms of 60 to 90 days. Ageing analysis of the creditors, based on the invoice dates, is as follows:

	<b>Unaudited As at 31 December 2024 HK\$'000</b>	<b>Audited As at 30 June 2024 HK\$'000</b>
Within period for		
0 – 30 days	<b>417,375</b>	363,069
31 – 60 days	<b>7,706</b>	47,346
61 – 90 days	<b>5,711</b>	8,853
Over 90 days	<b>30,968</b>	23,660
	<b>461,760</b>	442,928

The creditors were primarily denominated in RMB.

Creditors included amounts due to related companies of approximately HK\$31,649,000 (30 June 2024: HK\$25,085,000) which were unsecured, interest free and repayable within 90 days.

### 29 BORROWINGS

	<b>Unaudited As at 31 December 2024 HK\$'000</b>	<b>Audited As at 30 June 2024 HK\$'000</b>
Unsecured bank loans	<b>704,976</b>	756,297
Shareholder loans	<b>713,000</b>	713,000
	<b>1,417,976</b>	1,469,297

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 29 BORROWINGS (Continued)

The carrying amounts of the borrowings are denominated in the following currencies:

	<b>Unaudited As at 31 December 2024 HK\$'000</b>	Audited As at 30 June 2024 HK\$'000
HK\$	1,412,857	1,412,498
RMB	5,119	56,799
	<b>1,417,976</b>	1,469,297

As at 31 December 2024, shareholder loans from the ultimate holding company were interest-bearing at Hong Kong Interbank Offered Rate plus 1.1% (30 June 2024: 1.1%) per annum, unsecured and repayable within one year.

The average effective interest rates of the borrowings are analysed as follows:

	<b>Unaudited As at 31 December 2024</b>	Audited As at 30 June 2024
Borrowings denominated in HK\$	5.39%	5.77%
Borrowings denominated in RMB	2.96%	3.13%

The contractual repricing dates or maturity dates (whichever is earlier) of the interest-bearing borrowings are as follows:

	<b>Unaudited As at 31 December 2024 HK\$'000</b>	Audited As at 30 June 2024 HK\$'000
Within six months	1,412,857	1,469,297
In the seventh month to one year	5,119	–
	<b>1,417,976</b>	1,469,297

As at 31 December 2024, bank loans of approximately HK\$699,857,000 (30 June 2024: HK\$699,498,000) were guaranteed by the ultimate holding company.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 30 COMMITMENTS AND CONTINGENCIES

#### (a) Capital commitments

Capital commitments in respect of investment properties, property, plant and equipment and right-of-use assets of the Group at the end of the reporting period are as follows:

	<b>Unaudited As at 31 December 2024 HK\$'000</b>	Audited As at 30 June 2024 HK\$'000
Contracted but not provided for	<b>60,706</b>	42,621

#### (b) Operating lease receivables

The future minimum rental receivable by the Group under non-cancellable leases are as follows:

	<b>Unaudited As at 31 December 2024 HK\$'000</b>	Audited As at 30 June 2024 HK\$'000
Within one year	<b>399,737</b>	377,952
In the second to fifth year	<b>479,764</b>	441,750
After the fifth year	<b>25,846</b>	23,482
	<b>905,347</b>	843,184

The contingent operating lease rental income of the Group for the six months ended 31 December 2024 was approximately HK\$15,829,000 (2023: HK\$19,327,000).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 31 RELATED PARTY TRANSACTIONS

### (a) Transactions with related parties

Save as those disclosed elsewhere in this condensed consolidated financial information, the following is a summary of significant related party transactions during the six months ended 31 December 2024 carried out by the Group in the normal course of its business:

		Unaudited Six months ended 31 December	
	Notes	2024 HK\$'000	2023 HK\$'000
Fellow subsidiaries			
Rental expenses	(i)	(5,584)	(7,825)
Building management expenses	(ii)	(2,397)	(2,863)
Interest expense on lease liabilities	(iii)	(60)	(95)
Insurance expenses	(iv)	–	(33)
Other service fee expenses	(v)	(2)	(3)
Rental income	(vii)	140	115
Additions to right-of-use assets	(viii)	–	(679)
Related companies			
Rental expenses	(i)	(21,429)	(25,800)
Building management expenses	(ii)	(12,297)	(11,714)
Interest expense on lease liabilities	(iii)	(5,654)	(6,129)
Insurance expenses	(iv)	(154)	(101)
Other service fee expenses	(v)	(1,707)	(4)
Commission income from concessionaire sales	(vi)	10,643	15,011
Additions to right-of-use assets	(viii)	–	(157,610)
Customer loyalty programme service income	(ix)	227	283
Customer loyalty programme service costs	(ix)	(1,052)	(2,156)
Purchase of leasehold improvement	(x)	–	(14,273)

Notes:

- (i) The rental expenses were charged in accordance with respective lease agreements with the subsidiaries/joint ventures of NWD and accounted for in accordance with accounting policy of leases for short-term leases and turnover rent under HKFRS 16.
- (ii) The building management expenses were charged at fixed monthly amounts in accordance with respective contracts with the subsidiaries/joint ventures of NWD or members of companies controlled by Mr. Doo.
- (iii) Interest expense on lease liabilities related to lease agreements with the subsidiaries/joint ventures of NWD was charged at the relevant incremental borrowing rates.
- (iv) This represented the insurance services provided by the subsidiaries of NWD, subsidiaries of Chow Tai Fook Enterprises Limited ("CTFE") or members of companies controlled by Mr. Doo.
- (v) This represented other services provided by the subsidiaries/joint ventures of NWD, subsidiaries of CTFE or members of the companies controlled by Mr. Doo.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 31 RELATED PARTY TRANSACTIONS (Continued)

#### (a) Transactions with related parties (Continued)

Notes: (Continued)

- (vi) The income was recognised in accordance with concessionaire counter agreements with CTFJ Group. The commission is mainly calculated by pre-determined percentages of gross sales value in accordance with respective agreements.
- (vii) The income was recognised in accordance with lease agreements with the subsidiaries of NWD.
- (viii) Additions to right-of-use assets were measured and recognised in accordance with respective lease agreements with the subsidiaries/ joint ventures of NWD.
- (ix) This represented the service income from/costs to a joint venture of NWD.
- (x) This represented the purchase of leasehold improvement in respect of certain department stores. Such fee was charged in accordance with the terms of respective contracts with members of the companies controlled by Mr. Doo.

#### (b) Related party balances

The details for balances with related parties are disclosed in Notes 24, 27, 28 and 29 to this condensed consolidated financial information. Accruals and other payables included interest payable of shareholder loans of approximately HK\$132,271,000 (30 June 2024: HK\$112,820,000).

#### (c) Repayment of lease liabilities to related parties

The repayment amount of lease liabilities to related parties were approximately HK\$15,805,000 during the six months ended 31 December 2024 (2023: HK\$15,096,000).

#### (d) Key management remuneration

	Unaudited	
	Six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Basic salaries, housing allowances, other allowances, discretionary bonus and other benefits in kind	10,125	8,583
Retirement benefit costs – defined contribution plans	203	246
	10,328	8,829

### 32 ULTIMATE HOLDING COMPANY

The Directors regard NWD, a company incorporated in Hong Kong and listed on the Main Board of the Stock Exchange, as being the ultimate holding company of the Company.



## OTHER INFORMATION

### INTERIM DIVIDEND

The board (the “Board”) of directors (the “Directors”) of New World Department Store China Limited (the “Company”) and its subsidiaries (collectively, the “Group”) has resolved not to declare an interim dividend for the six months ended 31 December 2024 (six months ended 31 December 2023: nil).

### REVIEW OF INTERIM RESULTS

The unaudited interim results of the Group for the six months ended 31 December 2024 have not been reviewed or audited by the external auditor of the Company, but have been reviewed by the audit committee of the Company.

### CORPORATE GOVERNANCE PRACTICES

The Board recognises the importance of corporate governance practices to a listed company. The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders (the “Shareholders”) and stakeholders of the Company. The Company has complied with all the applicable code provisions set out in the Corporate Governance Code (the “Corporate Governance Code”) contained in Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange during the six months ended 31 December 2024.

The Company will continue to review and improve its corporate governance practices to ensure compliance with the Corporate Governance Code.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “Model Code”) as its own code of conduct regarding securities transactions by the Directors. Upon the Company’s specific enquiry of each Director, all Directors confirmed that they had complied with the required standard set out in the Model Code and the code of conduct regarding Directors’ securities transactions adopted by the Company during the six months ended 31 December 2024.

The Company has also established written guidelines for relevant employees as required under code provision C.1.3 of the Corporate Governance Code. Relevant employees are subject to compliance with written guidelines on no less exacting terms than the Model Code. No incident of non-compliance with the written guidelines by such employees was noted by the Company during the six months ended 31 December 2024.

### EMPLOYEES, REMUNERATION POLICY AND PENSION SCHEME

As at 31 December 2024, the total number of employees of the Group was 1,734 (2023: 2,011). The Group ensures that all levels of employees are paid competitively within the standard in the market and employees are rewarded on performance related basis within the Group’s salary and incentives framework, which is reviewed annually.

The Group has made contributions to the staff related plans or funds in accordance with the regulations like pension plans, medical insurance, unemployment assistance, work related injury and maternity insurance. Such arrangements are in compliance with relevant laws and regulations.

## OTHER INFORMATION

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

### UPDATE ON DIRECTORS' INFORMATION

The changes in information of the Directors since the date of the Company's 2024 Annual Report which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

Ms. Chiu Wai-han, Jenny's job title with NWD, a listed public company in Hong Kong, changed from Senior Director of Human Resources to Senior Director of Corporate Services with effect from 29 November 2024.

Mr. Ma Siu-cheung resigned as an executive Director and ceased to serve as a member of each of the executive committee and the remuneration committee of the Board on 29 November 2024. He also resigned as an executive director and the chief executive officer of NWD; and ceased to serve as a member of the executive committee as well as the chairman and a member of the sustainability committee of NWD, all on 29 November 2024.

### DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2024, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

#### Long positions in the shares

Name	Nature of interest	Number of shares held	Approximate percentage of shareholding as at 31 December 2024
<b>The Company</b> (Ordinary shares of HK\$0.10 each)			
Ms. Xie Hui-fang, Mandy	Personal interest	177,000	0.01%
<b>NWD</b> (Ordinary shares)			
Dr. Cheng Chi-kong, Adrian <sup>(Note)</sup>	Personal interest	2,559,118	0.10%
Ms. Chiu Wai-han, Jenny	Personal interest	29,899	0.00%

Note: Resigned as a non-executive Director and the Chairman on 26 September 2024.

Save as disclosed above, as at 31 December 2024, none of the Directors had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2024, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

#### Long positions in the shares of the Company

Name	Number of shares held			Approximate percentage of shareholding as at 31 December 2024
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited ("CYTFH") <sup>(1)</sup>	–	1,264,400,000	1,264,400,000	74.99%
Cheng Yu Tung Family (Holdings II) Limited ("CYTFH-II") <sup>(2)</sup>	–	1,264,400,000	1,264,400,000	74.99%
Chow Tai Fook Capital Limited ("CTFC") <sup>(3)</sup>	–	1,264,400,000	1,264,400,000	74.99%
Chow Tai Fook (Holding) Limited ("CTFH") <sup>(4)</sup>	–	1,264,400,000	1,264,400,000	74.99%
Chow Tai Fook Enterprises Limited ("CTFE") <sup>(5)</sup>	–	1,264,400,000	1,264,400,000	74.99%
NWD	1,218,900,000	45,500,000	1,264,400,000	74.99%

Notes:

- (1) CYTFH held 48.98% direct interest in CTFC and was accordingly deemed to have an interest in the shares of the Company deemed to be interested by CTFC.
- (2) CYTFH-II held 46.65% direct interest in CTFC and was accordingly deemed to have an interest in the shares of the Company deemed to be interested by CTFC.
- (3) CTFC held 81.03% direct interest in CTFH and was accordingly deemed to have an interest in the shares of the Company deemed to be interested by CTFH.
- (4) CTFH held 100% direct interest in CTFE and was accordingly deemed to have an interest in the shares of the Company deemed to be interested by CTFE.
- (5) CTFE together with its subsidiaries held interest in more than one-third of the issued shares of NWD and was accordingly deemed to have an interest in the shares of the Company interested by or deemed to be interested by NWD.

Save as disclosed above, the Company has not been notified of any other person (other than the Directors or chief executive of the Company) who, as at 31 December 2024, had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

## OTHER INFORMATION

### SHARE OPTION SCHEME

The previous share option scheme of the Company adopted on 12 June 2007 expired on 12 June 2017. A new share option scheme of the Company (the “Scheme”) has been approved by the Shareholders at an extraordinary general meeting of the Company held on 26 June 2023.

Under the Scheme, the Directors may at their discretion grant options to any eligible participant (as explained hereinafter) to subscribe for the shares of the Company.

Since the adoption of the Scheme and up to 31 December 2024, no options had been granted or agreed to be granted by the Company, and thus no options had been exercised, cancelled or lapsed under the Scheme.

Summary of the Scheme disclosed in accordance with the Listing Rules is as follows:

Purpose of the Scheme	The Scheme is designed primarily as a means of rewarding the performance of, and providing incentive, motivation or reward to certain eligible participants (the “Eligible Participant(s)”) for optimizing their performance or making contribution to the Group; attracting and retaining persons of the right caliber with the necessary experience to work for or make contribution to the Group; and fostering a sense of corporate identity and allowing the Eligible Participants to enjoy the results of the Company attained through their relationship, efforts and/or contribution.
Participants of the Scheme	Any director (including any executive director, non-executive director or independent non-executive director) and employee (whether full time or part time) of the Company or any of its holding companies, subsidiaries, fellow subsidiaries, associated companies or members of the Group.
Total number of shares of the Company available for issue under the Scheme and percentage of the total number of issued shares of the Company	As at 1 July 2024 and 31 December 2024, the total number of shares of the Company available for issue was 168,614,500, representing 10% of the total number of issued shares of the Company as at 1 July 2024 and 31 December 2024, respectively.
Maximum entitlement of each participant under the Scheme	Unless otherwise approved by the Shareholders as required under the Scheme, the total number of shares issued and to be issued upon the exercise of the share options granted to each Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the Scheme or any other schemes of the Company) in any 12-month period must not exceed 1% of the ordinary share capital of the Company in issue.
The period within which the share option may be exercised by the grantee under the Scheme	Subject to the vesting period as set out below, a share option may be exercised in accordance with the terms of the Scheme during the period as specified and notified by the Directors to the grantee for the whole or such parcel(s) of the shares subject to the share option, which shall be not more than ten years from the date of grant of share option (the “Date of Grant”).

## OTHER INFORMATION

Vesting period	<p>Save for the following circumstances or otherwise under the Scheme, the share options must be held for at least 12 months after the Date of Grant before it is vested and exercisable by the grantee.</p> <p>For Eligible Participants who are the director(s) and employee(s) of the Company and its subsidiaries, a shorter vesting period of less than 12 months may be adopted under any of the circumstances below:</p> <ul style="list-style-type: none"><li>(a) Grants of “make-whole” share options to new joiners to replace the share option or awards they forfeited when leaving the previous employers;</li><li>(b) Grants of share options to a participant whose employment is terminated due to death or disability or occurrence of any out of control event;</li><li>(c) Grants of share options that are made in batches during a year for administrative and compliance reasons;</li><li>(d) Grants of share options with a mixed or accelerated vesting schedule such as where the awards may vest evenly over a period of 12 months; or</li><li>(e) Grants of share options with a total vesting and holding period of more than 12 months.</li></ul>
The amount payable on application or acceptance of the share option and the period within which payments or calls must or may be made or loans for such purposes must be paid	<p>HK\$10 is payable as consideration for the grant of share option within the acceptable period of the share option, being 14 days from the date of offer.</p>
The basis of determining the exercise price	<p>The price per share payable on the exercise of a share option as determined by the Directors must be at least the higher of: (i) the closing price of the share as stated in the Stock Exchange’s daily quotations sheet on the Date of Grant, which must be a day on which shares are traded on the Stock Exchange for a minimum of three hours (“Dealing Day”); (ii) the average closing price of the share as stated in the Stock Exchange’s daily quotations sheets for the five Dealing Days immediately preceding the Date of Grant or (where applicable) such price as from time to time adjusted pursuant to the Scheme; and (iii) the nominal value of the share.</p>
The remaining life of the Scheme	<p>The Scheme shall be valid and effective for a period of ten years commencing from the date of adoption, being 26 June 2023.</p>

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Cheung Fai-yet, Philip (*Chairman*)

Ms. Xie Hui-fang, Mandy (*Chief Executive Officer*)

#### Non-executive Director

Ms. Chiu Wai-han, Jenny

#### Independent Non-executive Directors

Mr. Cheong Ying-chew, Henry

Mr. Chan Yiu-tong, Ivan

Mr. Tong Hang-chan, Peter

Mr. Yu Chun-fai

Ms. Ho Pui-yun, Gloria

### COMPANY SECRETARY

Ms. Hui Ka-wai

### AUDITOR

PricewaterhouseCoopers

*Certified Public Accountants*

*Registered Public Interest Entity Auditor*

### SOLICITORS

Dentons Hong Kong LLP

Eversheds Sutherland

Woo Kwan Lee & Lo

### PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Suntera (Cayman) Limited

Suite 3204, Unit 2A

Block 3, Building D

P.O. Box 1586

Gardenia Court, Camana Bay

Grand Cayman, KY1-1100

Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER AGENT

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road, Hong Kong

### REGISTERED OFFICE

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Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

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Room 802, 8th Floor, Tower A

83 King Lam Street

Cheung Sha Wan

Kowloon, Hong Kong

Tel: (852) 2753 3988

Fax: (852) 2318 0884

### PRINCIPAL BANKERS

China Construction Bank

Hang Seng Bank

Industrial and Commercial Bank of China

Mizuho Bank

### STOCK CODE

Hong Kong Stock Exchange 825

### INFORMATION FOR INVESTORS

For more information about the Group, please contact the Corporate Affairs Department of the Company at:

Room 802, 8th Floor, Tower A

83 King Lam Street

Cheung Sha Wan

Kowloon, Hong Kong

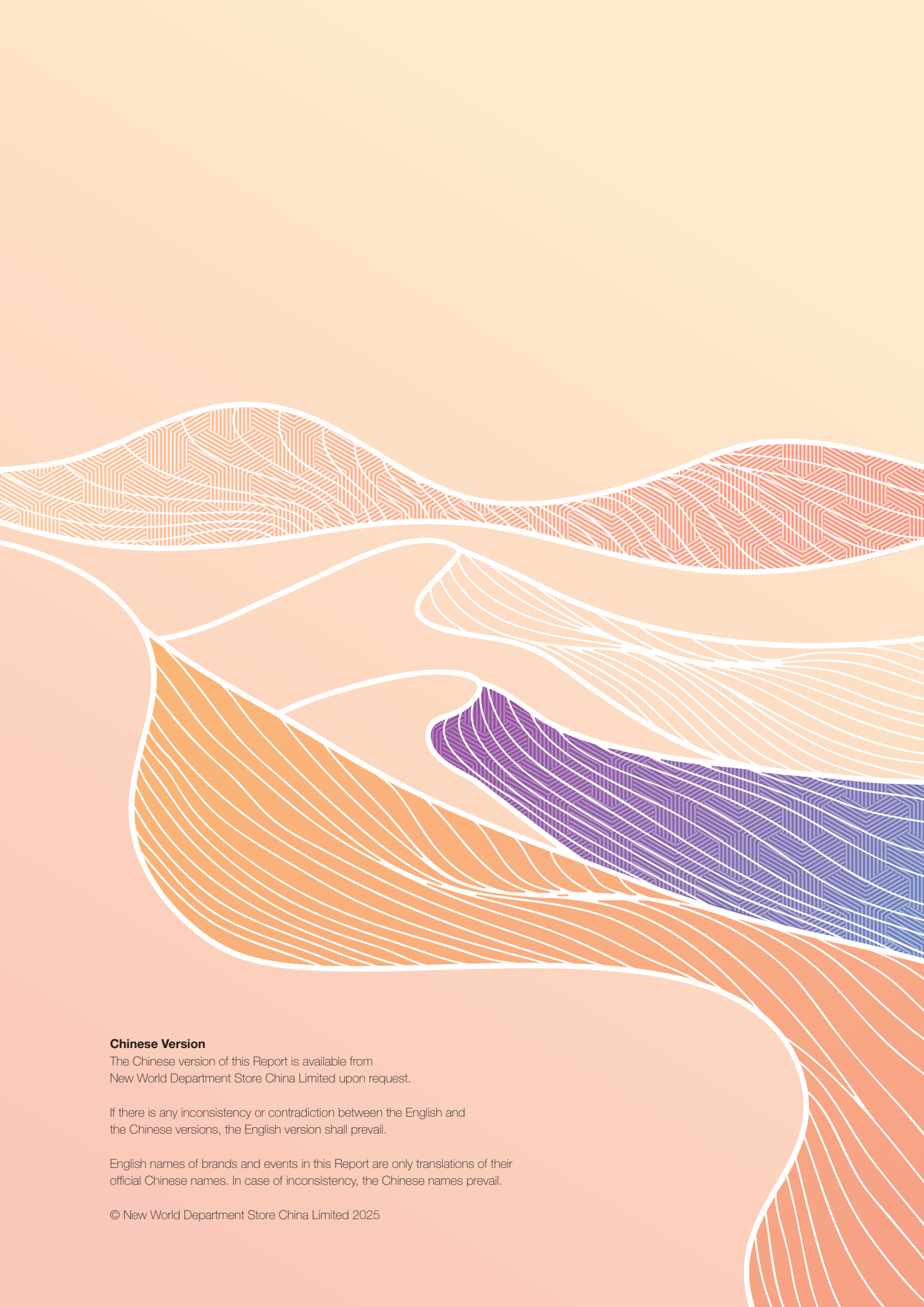
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### Chinese Version

The Chinese version of this Report is available from  
New World Department Store China Limited upon request.

If there is any inconsistency or contradiction between the English and  
the Chinese versions, the English version shall prevail.

English names of brands and events in this Report are only translations of their  
official Chinese names. In case of inconsistency, the Chinese names prevail.

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新世界百貨中國有限公司  
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(Stock Code: 825)

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