



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)

ANNUAL REPORT 2026



CORPORATE PROFILE

Founded in 1993, New World Department Store China Limited (Stock Code: 825) is the retail enterprise of New World Development Company Limited (Stock Code: 17) in the Chinese Mainland. The Group upholds stakeholder-oriented philosophy in operation and is committed to developing themed department store retail complexes of small and medium-size, precisely catering to the consumption and convenient shopping needs of community families and establishing a differentiated market positioning. The Group was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited in 2007. As at 30 June 2026, NWD owned approximately 75% shares of the Group.

RETAIL NETWORK

Taking East China, North China, and Central-West China as our three core regions, the Group has refined the layout for “Multiple Presences within a Single City” in key cities such as Shanghai and Beijing. As at 30 June 2026, the Group operated 21 stores, of which 14 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 890,000 square metres, covering 11 key cities in Chinese Mainland, including Beijing, Shanghai, Wuhan, Nanjing, Tianjin, Zhengzhou, Yantai, Shenyang, Changsha, Chongqing and Mianyang.

ORGANISATION STRUCTURE

Focusing on efficient decision-making and rapid response, the Group optimises its regional layout by eliminating departmental barriers and building a collaborative and efficient organisational structure. It aims at achieving coordinated resource deployment and synchronised implementation of strategies, and empowering operations and management through digital operations to enhance organisational effectiveness. Such move ensures the in-depth development of store operations and the quality of services to merchants, and effectively provides better customer consumption experience and drives the operating performance.

BUSINESS OPERATIONS

The Group always centres on customer needs and business category mix, adheres to its retail-oriented core operational values, and complements this with diverse supporting business formats such as dining, fitness and pop-up stores, establishing a stable business model that closely aligns with consumer needs. The Group’s revenue is mainly derived from: commission income from concessionaire sales, rental income, sales of goods for direct sales, and interest income from finance leases as the lessor.

TALENT DEVELOPMENT

Talent is the fundamental support for the sustainable development of an enterprise. The Group regards its staff as a valuable asset. Through diversified incentive schemes, systematic training and clear career development paths, the Group strives to cultivate outstanding talents, with a focus on building a younger talent pipeline and reserve system, so as to forge a lean and efficient talent team with market-savvy and vitality. As at 30 June 2026, the Group had 1,349 employees.

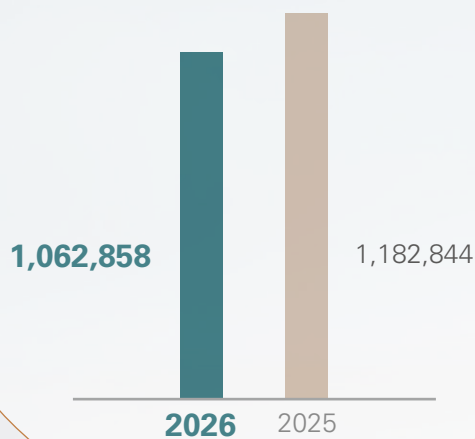
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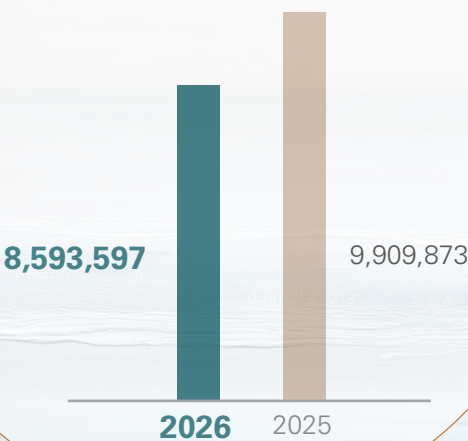


FINANCIAL HIGHLIGHTS

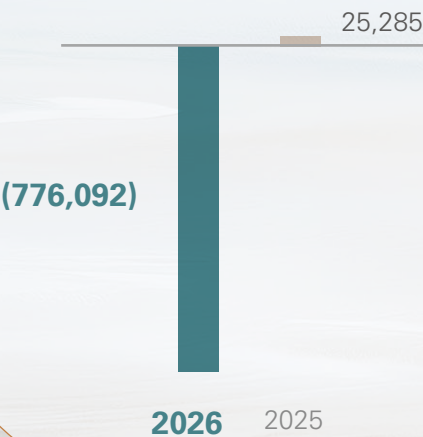
REVENUE
(HK\$'000)



TOTAL ASSETS
(HK\$'000)



NET (LOSS)/ PROFIT
(HK\$'000)



FINANCIAL HIGHLIGHTS

	2026 HK\$'000	2025 HK\$'000
OPERATING RESULT		
Revenue	1,062,858	1,182,844
Representing:		
Commission income from concessionaire sales	270,688	338,498
Sales of goods – direct sales	232,823	266,476
Rental income	548,112	564,453
Interest income from finance leases as the lessor	11,235	13,417
Operating (loss)/profit	(728,503)	288,260
(Loss)/profit for the year	(776,092)	25,285

	As at 30 June 2026 HK\$'000	As at 30 June 2025 HK\$'000
FINANCIAL POSITION		
Total assets	8,593,597	9,909,873
Total liabilities	5,670,225	6,404,124
Borrowings	1,363,688	1,399,663
Less: Fixed deposits with original maturity over three months, cash and bank balances	(413,001)	(743,189)
Net debt	950,687	656,474
Total equity	2,923,372	3,505,749
Net gearing ratio (Note)	32.5%	18.7%

Note: Net debt divided by total equity.

CHAIRMAN'S STATEMENT

Over the past year, the competitive landscape of the retail market kept on evolving, with new commercial complexes continuously emerged while offline foot traffic became increasingly diverted. Constrained primarily by the homogenisation and zero-sum competition among existing players, traditional department stores faced multiple pressures and considerable challenges. Nevertheless, we firmly believe that the essence of department store operations lies in product strength and service capability, and that deep concession operations will be the Group's core focus of operation going forward. During the period under review, we adjusted the regional structure to align with our four future core strategies: deep concession operations, community commerce, digitalisation and organisational empowerment. We are pushing forward our transformation in full swing, building up momentum even as we navigate headwinds.

Dr. Cheng Kar-shun, Henry GBM, GBS
Chairman



Over the past year, the competitive landscape of the retail market kept on evolving, with new commercial complexes continuously emerged while offline foot traffic became increasingly diverted. Constrained primarily by the homogenisation and zero-sum competition among existing players, traditional department stores faced multiple pressures and considerable challenges. Nevertheless, we firmly believe that the essence of department store operations lies in product strength and service capability, and that deep concession operations will be the Group's core focus of operation going forward. During the period under review, we adjusted the regional structure to align with our four future core strategies: deep concession operations, community commerce, digitalisation and organisational empowerment. We are pushing forward our transformation in full swing, building up momentum even as we navigate headwinds.

During the period, we completed the restructuring and consolidation of our operating framework, with a focus on operational efficiency improvement and cost control optimisation. Taking East China, North China, and Central-West China as our three core regions, we have refined the layout of "Multiple Presences within a Single City" in key cities such as Shanghai and Beijing to better facilitate coordinated resource deployment, thereby laying a solid foundation for the simultaneous implementation of all innovation initiatives.

Under the deep concession operation model, we are not only able to track market trends more precisely, optimise product mix, plan the supply chain and formulate agile business strategies, but also to create mutual benefits and win-win outcomes with our brand partners. Moreover, against the backdrop of near-saturation in incremental growth across the industry, business model restructuring has become a key initiative to revitalise our existing operations. We are dynamically striking the balance between leasing and concession operation activities, while attracting footfall through diversified ancillary businesses including dining, fitness, and pop-up stores to drive two-way sales conversion. Such approach has improved store sales per square metre, established a more stable operating model, and strengthened the Group's cash flow and revenue.

As consumer spending gradually shifts towards neighbourhood-focused scenarios, demand for everyday household purchases and instant convenience shopping continues to grow. To this end, we will concentrate on developing small and medium-sized retail complexes with diversified themes, unlock the potential of near-community consumption in Tier 1 cities, and precisely cater to the needs of family and convenience shopping within the 15-minute living circle.

Digital operations serve as a vital pivot in driving refined management. We will restructure and progressively upgrade our digital management systems under the operational logic of "online traffic, offline conversion". We will acquire customers on a broader scale through online channels such as mini program, community and livestream, and guide them to in-store experiences and purchases by pre-sale offers and member-exclusive events. This approach enables digital tools to truly serve to boost sales from physical stores and enhance member loyalty, thereby forming a closed-loop between online and offline business.

In the face of rapidly changing market environment, talent remains the fundamental pillar of corporate sustainability. We have implemented multi-pronged initiatives centered on organisational empowerment. In terms of enhancing workforce efficiency, we utilise digital systems to drive procedural optimisation and release the organisational operational capacity; in terms of talent echelon construction, we focus on building a younger talent pool for the second and third tiers, thereby injecting vitality into the Company. Meanwhile, we are actively advancing structural restructuring and mergers to streamline redundant positions, break down departmental barriers, and achieve a balanced, synergistic organisational architecture. This series of measures will further sharpen our team's market acumen and business innovation capabilities, driving a simultaneous upgrade in both speed and professionalism.

From a long-term perspective, the trend towards reshaping of the retail industry is irreversible, and the department store industry cannot navigate through economic cycles in a day. Rooted in our heritage of over thirty years as a Hong Kong department store brand, we have always been customer-centric, optimising our store formats to create diversified and themed retail complexes. We effectively integrate traditional department store operations with the new market environment and novel business models to proactively adapt to rapidly changing consumer trends. Although the road ahead is fraught with challenges, with a clear strategic direction and a methodical approach to implementation, we are building sustainable competitiveness amidst industry transformation, steadily consolidating our market share and driving improvements in the quality of our operational performance.

I would like to express my heartfelt appreciation to our shareholders for their long-standing trust and support, and to all our staff and partners for their concerted efforts and dedication. We will move forward with steady strides towards a new phase of high-quality development.

Dr. Cheng Kar-shun, Henry GBM, GBS
Chairman

Hong Kong, China, 30 September 2026

RETAIL NETWORK

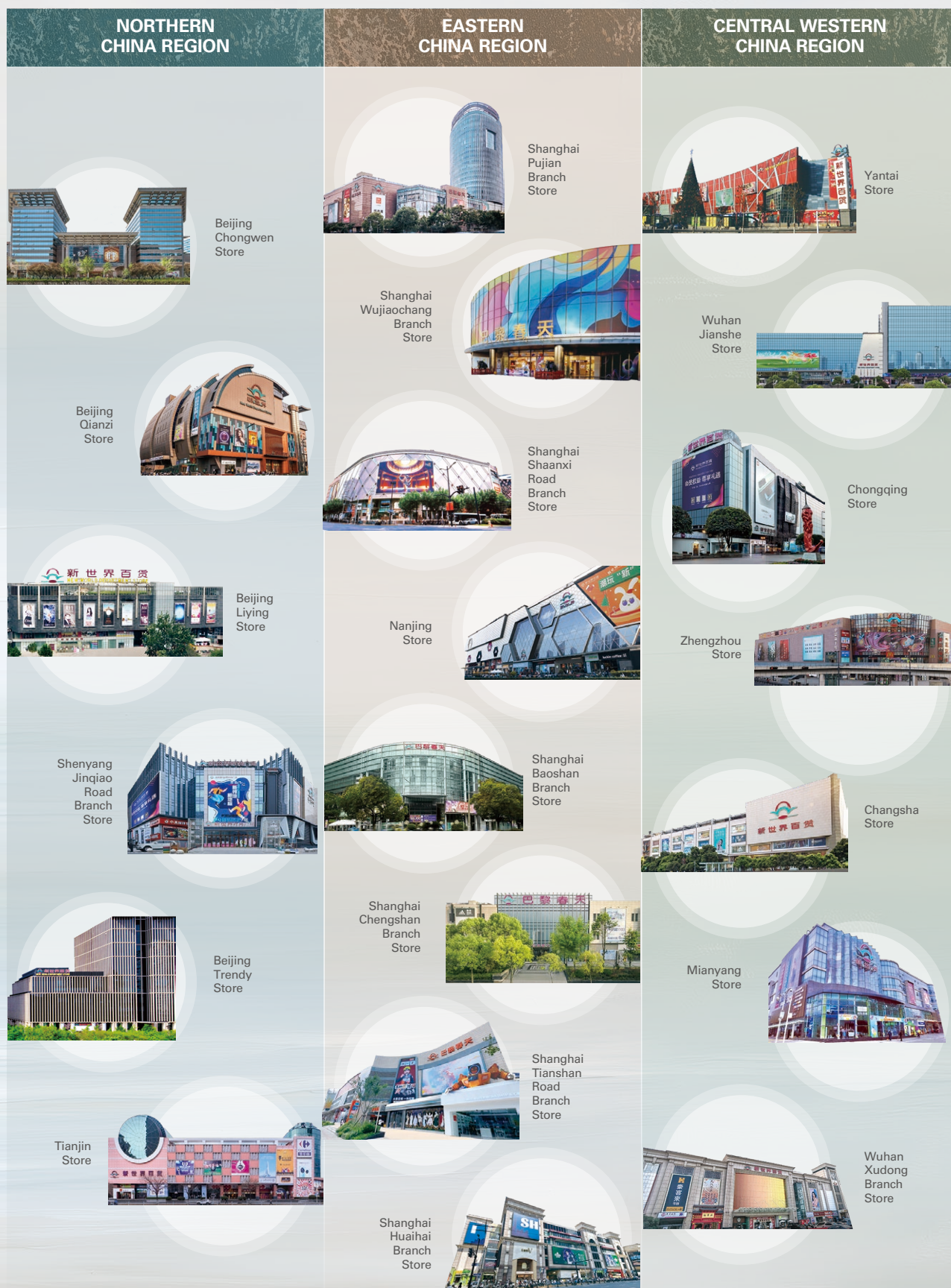
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Strategic Footholds

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Key Cities

Department Store	Date of Opening	Approximate GFA (sq.m.)
Northern China Region		
Beijing Chongwen Store	July 1998	119,900
Beijing Qianzi Store	September 2010	55,600
Beijing Liying Store	September 2008	52,000
Shenyang Jinqiao Road Branch Store	May 2011	34,000
Beijing Trendy Store	March 2007	31,200
Tianjin Store	October 1997	14,200
Eastern China Region		
Shanghai Pujian Branch Store	September 2007	46,000
Shanghai Wujiaochang Branch Store	December 2006	44,000
Shanghai Shaanxi Road Branch Store	November 2011	42,000
Nanjing Store	November 2007	41,200
Shanghai Baoshan Branch Store	January 2010	39,000
Shanghai Chengshan Branch Store	April 2010	38,000
Shanghai Tianshan Road Branch Store	August 2013	37,600
Shanghai Huaihai Branch Store	December 2001	22,500
Central Western China Region		
Yantai Store	December 2013	55,600
Wuhan Jianshe Store	November 1994	42,000
Chongqing Store	September 2006	42,000
Zhengzhou Store	April 2011	35,500
Changsha Store	September 2006	35,000
Mianyang Store	December 2011	35,000
Wuhan Xudong Branch Store	January 2008	29,800
TOTAL GROSS FLOOR AREA		892,100



MANAGEMENT DISCUSSION AND ANALYSIS

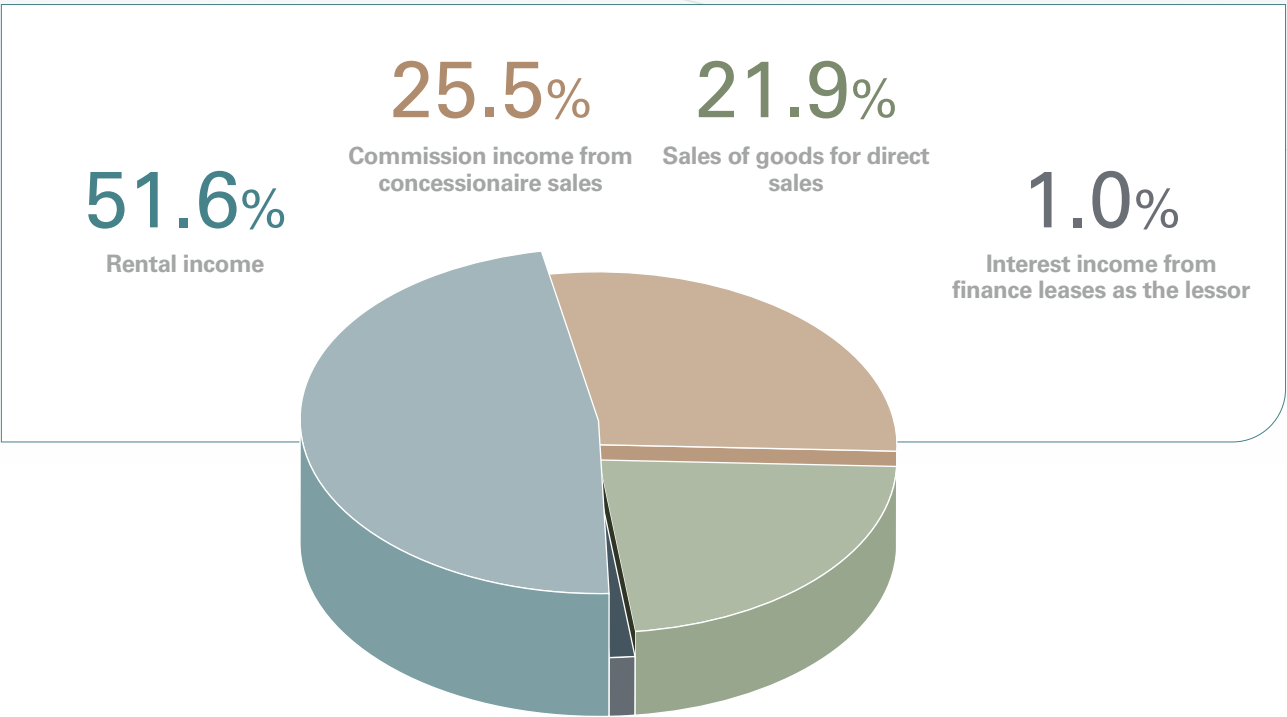
BUSINESS REVIEW

Results Summary

In 2026, the global economic recovery remained sluggish, geopolitical conflicts persisted, and the external operating environment was complex and severe. The overall domestic consumption was stable, yet the growth rate of total retail sales of consumer goods slowed. The recovery of consumption sentiment remained moderate, as consumers became more rational and pragmatic in their spending, and market structural divergence became more pronounced. This year was also the kick-off year of the “15th Five-Year Plan” (「十五五」規劃). The domestic retail industry has entered a critical stage of transformation, upgrading, quality improvement and efficiency enhancement. The department store industry generally faced multiple operating pressures, including consumption diversion, homogenisation of retail scenarios and rising customer acquisition costs. In response to the existing pain points of the industry, the Ministry of Commerce and eight other departments jointly issued the “Opinions on Accelerating the Innovative Development of the Retail Industry” (《關於加快零售業創新發展的意見》), proposing to build a modern retail system with diversified business formats, smart and convenient services and orderly competition by 2030. Driven by both policy direction and market shifts, the development logic of department store enterprises is gradually shifting from the traditional model of scale expansion to internal capabilities improvement in the era of stock operations.

During the year under review, the Group’s overall operations faced severe challenges, with declining sales, pressure on revenue and insufficient conversion of customer traffic intertwined. In response to the current situation, the Group formulated a clear strategy in the fourth quarter, including adopting deep concession as the core business line, fully tapping into the potential of immediate and convenient consumption of community commerce, improving efficiency and reducing operating costs through digital operations, and promoting talent optimisation to improve productivity in average. To implement such strategy, the Group completed the adjustment to its regional structure, achieving coordinated resource deployment and synchronised implementation of strategies during the year, while continued to advance the overall transformation process.

For the year ended 30 June 2026, the Group’s revenue for the year was HK\$1,062.9 million. By segment, the Group’s revenue for the year was mainly derived from rental income which accounted for 51.6%. This was followed by commission income from concessionaire sales which took up 25.5%, sales of goods for direct sales which took up 21.9%, and interest income from finance leases as the lessor which took up 1.0%.



Business Network

As at 30 June 2026, the Group operated 21 stores in Chinese Mainland, covering 11 key cities across the country including Beijing, Shanghai, Wuhan, Nanjing, Tianjin, Zhengzhou, Yantai, Shenyang, Changsha, Chongqing and Mianyang, with a total gross floor area of about 890,000 square metres.

OPERATIONS REVIEW

I. Eastern China Region

In 2026, the kick-off year of the “15th Five-Year Plan”, the State Council and the Shanghai Municipal Government introduced policies successively to encourage the first-mover economy and support commercial complexes in advancing retail format innovation, scenario creation and digital upgrading. Meanwhile, as the construction of 15-minute convenient living circles advanced, community commerce has embraced development opportunities, with some brands accelerated their physical store layouts to enrich offline consumption scenarios. However, the consumer market in the Eastern China region showed an overall weak recovery, where consumers preferred scenario-based experience over purchase of physical goods, resulting in continued pressure on consumption conversion. During the year under review, the Eastern China region focused on brand portfolio optimisation, diverse ancillary offerings for traffic generation and online-offline synergy in advancing operational adjustments, striving to enhance customer traffic conversion and sales output.



Multi-tier First-Store Resources to Optimise Brand Portfolio

The Group regards the first-store economy as an important engine for the renewal of its business mix and precise traffic generation in the Eastern China region. During the period, it secured first-store resources at the national, city and business district levels. Among them, Shanghai Pujian Branch Store introduced the Group's first “MINISO” (名創優品) IP flagship store, “DQ”'s regional first store, the first co-branded store of “Beneunder” (蕉下) and the first “VIVO” authorised experience centre within the inner ring of Pudong; Shanghai Chengshan Branch Store secured business district first-store cooperation with national digital brands including “Xiaomi” (小米), “OPPO” and “VIVO”; Shanghai Shaanxi Road Branch Store successfully landed the first store of “Warehouse No.3” (3號倉庫), in Putuo District and the first MUMU FAMILY store in Shanghai; Shanghai Tianshan Road Branch Store brought together the national first store of “Lusa Bistro” (lusa小酒館), the first store of “+5 LBS” (加伍磅) in Tianshan business district and the first business district store of “Burger King” (必勝漢堡) in Changning District; Nanjing Store introduced the first store of “Banya Xiangji” (半亞餐集) in the city and the first store of “Zhuyouhe Food Stall” (朱友和大排檔) in the business district. The concentrated placement of first stores has effectively increased the brand competitiveness and customer traffic appeal of the regional stores.



MANAGEMENT DISCUSSION AND ANALYSIS

Diverse Ancillary Business to Attract Traffic and Stimulate Consumption Conversion

Focusing on the consumption needs of community and family customers, the Eastern China region introduced social dining and lifestyle-supporting businesses to attract customer traffic and drive overall consumption conversion within its stores.

In terms of the dining segment, Shanghai Chengshan Branch Store introduced several dining brands, including “Blue Frog” (藍蛙), “Chaojie” (潮界), “Meizhou Dongpo” (眉州東坡), and “Green Tea” (綠茶), further strengthening the effect of restaurant clustering the business district in which the store is located; Shanghai Wujiaochang Branch Store introduced “Haidilao” (海底撈) seafood food stall and “Yukyoto” (禦京都) late-night canteen, broadening nighttime consumption scenarios and extending customers’ dwell time; Shanghai Shaanxi Road Branch Store successfully signed the city first store of “A ZHONG SHI FANG” (阿忠食坊) Xiamen seafood food stall, a brand that has received the “Michelin Bib Gourmand” (米其林必比登) recommendation, adding a value-for-money option to the store’s dining offerings.





In terms of family lifestyle ancillary offerings, Shanghai Pujian Branch Store introduced diverse formats such as “M&G SHOP” (雜物社), “SongChao” (宋朝香氛) and “Babemax” (愛嬰室); Shanghai Baoshan Branch Store also introduced education and training formats such as “Shanghai Theatre Academy Arts” (上戲藝術) and “Only Education Happy Commune” (昂立快樂公社), covering multiple consumption scenarios including parent-child and trendy lifestyles.

In terms of community consumption, in response to the frequent daily consumption needs of community customers, Shanghai Chengshan Branch Store introduced “Chao He Suan NB” (超盒算NB), and Nanjing Store landed the first 3.0 Mini Pro store of “Three Squirrels Life Store” (三隻松鼠生活館) in the local area, precisely matching the bulk-purchase and value-for-money consumption scenarios of community families.

In terms of sports and fitness, Shanghai Shaanxi Road Branch Store and Tianshan Road Branch Store introduced the local fitness brand “+5 LBS”, further enriching the types of in-store experience.

MANAGEMENT DISCUSSION AND ANALYSIS



Themed Activities to Drive Customer Traffic and Membership Growth

As consumption becomes increasingly social and trend-oriented, the Eastern China region has continued to create youthful consumption experience scenarios, achieving breakthrough traffic generation and customer base expansion through fun competitions, popular IP collaborations and fan activities.

In terms of membership operations, the seven stores of Ba Li Chun Tian in Shanghai jointly launched the “V-Friends Festival” (V友會員節), partnering with “ShanghaiLOOK” to encourage cross-store member flow through limited-edition exploration maps and stamp-collection check-in mechanisms. During the event, new members increased by more than 27% year-on-year (“YOY”), while sales increased by nearly 10% YOY, effectively boosting regional member engagement.

In terms of music and competition events, Shanghai Pujian Branch Store and Chengshan Branch Store partnered with “Ant Music Space” (螞蟻音樂空間) to hold the “Gang Yun Xin Sheng” (港韻新聲) themed

concert, achieving a dual enhancement in offline scenario exposure and the accumulation of young customers. Among them, customer traffic at Shanghai Pujian Branch Store on the event day increased by 19.3% YOY, while new member acquisition at Shanghai Chengshan Branch Store surged by 190.5% YOY; Shanghai Chengshan Branch Store held the first “Sneaky Eating Contest” (「偷吃大賽」) in Pudong, with customer traffic on the event day exceeding 27,000 visits and per-capita spending by VIP customers rising by 43.1% YOY.



In terms of IP pop-ups and fan activities, Shanghai Tianshan Road Branch Store successfully landed the limited-time merchandise exhibition and sale event for Disney's "Zootopia 2" (「瘋狂動物城2」) movie merchandise, attracting a cumulative customer traffic of nearly 800,000 visits; during the "Honor of Kings" (王者榮耀) offline tournament, customer traffic increased by more than 50% YOY, while new member acquisition rose by more than 150%; the "Wang Yi'en Fan Support Event" (王翊恩粉絲應援活動) drove customer traffic up by nearly 100% YOY, fully demonstrating the driving force of youthful activities on customer traffic and membership conversion.



Online-Offline Synergy to Expand Consumption Scenarios

At present, marketing approaches such as cross-industry cooperation and livestreaming have become important drivers for brick-and-mortar retailers to attract in-store traffic, expand their customer base and growth. The IPs long operated by the Eastern China region store, such as "Crazy Thursday" (瘋狂星期四) and the "General Manager Live Room" (總經理直播間), have gradually matured. Among them, the "Crazy Thursday" livestream programme has accumulated nearly 4 million online viewers and almost 7 million exposures, with its online presence continuing to expand.

At the offline level, the Eastern China region has partnered with surrounding community, medical and educational institutions to continuously advance the regular operation of internal purchase events. Taking Shanghai Pujian Branch Store as an example, during the year it joined hands with entities such as "Renji Hospital" (仁濟醫院), "Youyou Nursing Home" (由由養老院), "PetroChina Building" (中國石油大廈) and "Shanghai Experimental School" (上海實驗中學) to hold multiple internal purchase fairs, covering core customer scenarios including medical care, business offices, education and the community. It also carried out joint marketing with cross-format brands such as "LEFIT" (樂刻健身), "Mei KTV" (魅KTV), "Lausanjee" (老鄉雞), "Mr. Rice" (大米先生) and "Gui Man Long" (桂滿龍), improving store operating performance across multiple dimensions.

MANAGEMENT DISCUSSION AND ANALYSIS

II. Northern China Region

A policy document issued by the Ministry of Commerce, "Certain Measures on Supporting the Cultivation and Construction of International Consumption Centre Cities" (關於支援國際消費中心城市培育建設若干措施), mentioned that focus shall be placed on "First Store and First-mover Economy" (首店首發經濟) and "Innovation in Time-Honoured Brands through China-Chic" (老字號國潮創新), accelerating the revitalisation of existing traditional commercial districts and the expansion of instant retail. In terms of regional markets, commercial competition in Northern China Region continues to intensify, consumers are more price-sensitive, and the general public shows a stronger preference for value for money, becoming more cautious when making purchasing decisions. During the year under review, Northern China Region, guided by everyday living and value for money, continued to consolidate the advantages of its concession model for department store retail, relied on supporting lifestyle business format to drive consumption conversion, and simultaneously promoted membership marketing and online channel development, resulting in better overall operating performance.

Empowering Concession Brands and Deepening Core Customers Engagement

The Northern China Region continues to attract high-quality fashion brand resources and optimise its category portfolio. Beijing Chongwen Store introduced the first "ANTA SUPERSTORE" (超級安踏) in commercial districts, the first city store of leading fashion women's wear brand "Xuhan" (叙函), as well as brands such as "ONLY", "Eifini" (伊芙麗) and "SETIROM" (西町村屋); Beijing Liying Store introduced the first "CARMEN" (卡蔓) commercial district store; Beijing Qianzi Store introduced the first "MOVEUP" (幻走) commercial district store, as well as the local business menswear representative, "JOEONE" (九牧王).





Meanwhile, the expansion into the gold and jewellery and local beauty sectors accelerates simultaneously. Time-honoured brand "SINO GEM" (中國珠寶) opened its store in Beijing Chongwen Store. "Lao Miao Jewelry" (老廟黃金) and "CHJ JEWELLERY" (潮宏基) completed major renovations at the Beijing Qianzi Store. "Forest Cabin" (林清軒) successively opened its stores in both the Beijing Qianzi Store and Beijing Chongwen Store. Such brands further consolidated the high-value consumer base.



In terms of marketing conversion, the Northern China Region focuses on high-value customers, organising multiple themed events during the year with significant results. In the gold and jewellery sector, the Beijing Chongwen Store launched a series of salons, including DIY hands-on experiences by "Chow Tai Fook" (周大福) and private tasting sessions by "Chow Sang Sang" (周生生), to boost the consumption potential of core customers through immersive interaction and new product exhibition. In the beauty sector, the Beijing Chongwen Store partnered with "Mao Geping" (毛戈平) during the May Day holiday to launch an outdoor roadshow, precisely reaching quality customer bases through on-site makeup trials and limited-time offers.

MANAGEMENT DISCUSSION AND ANALYSIS

Diversified Business Format Layout to Enrich Supply and Drive Consumption Conversion

The Northern China Region is making efforts across diverse business formats, including catering experiences, community retail, quality home furnishings and fitness activities, driving the iteration and upgrade of its brand matrix.

In terms of catering experiences, Beijing Chongwen Store introduced popular catering brands such as “Mr. Rice” and “Mr. Wild Man” (野人先生). Beijing Liying Store introduced the first regional stores of “LELECHA” (樂樂茶), “Emei Restaurant” (峨嵋酒家) and “A Dong Ge Ginger Duck” (阿咚哥薑母鴨). Beijing Qianzi Store introduced the first store of “Le Qingcheng” (樂傾城) Seafood Buffet in the commercial district. Such diversified catering matrix effectively enriched the social scenarios of each store and supplemented daily customer traffic.

In terms of community retail, Beijing Liying Store introduced the first Beijing store of “Chao He Suan NB”, a community convenience supermarket under Hema, which ranked first nationwide in sales on its opening day. Beijing Qianzi Store introduced the mass-market casual snack chain brand “SUPER MING” (趙一鳴), which, with its great value-for-money and comprehensive category mix, increased in-store consumption of surrounding residents.





MANAGEMENT DISCUSSION AND ANALYSIS

In terms of quality home furnishings, Shenyang Jinqiao Road Branch Store introduced the first mall store of "LINSY" (林氏家居) in Shenyang. Tianjin Store successfully opened the first 1,500 sq.m. megastore of "Yeswood" (源氏木语) in the Gulou commercial district, perfecting the regional business format layout of quality home furnishings.



In terms of fitness activities, Beijing Liying Store and Chongwen Store introduced the Hong Kong high-end fitness brand "24/7 fitness", precisely targeting the consumption preferences of quality fitness customer base.



MANAGEMENT DISCUSSION AND ANALYSIS

Normalising IP Operation to Stimulate Customer Footfall and Membership Growth

Northern China Region continued to optimise its self-owned IP activities and build a regular store traffic generation mechanism to drive steady growth in customer footfall and membership.

Beijing Chongwen Store has built three major self-owned IPs: “CPFresh Thai Durian Festival” (正大泰國榴槤節), “Sports Lifestyle Festival” (運動生活節) and “Chongwen Fair” (崇文喜市). During the period, the event CPFresh Thai Durian First Station drove member recruitment to increase by 59% YOY. Meanwhile, the store introduced popular IP events such as “Eggy Party” (蛋仔派對) and “Honor of Kings” (王者榮耀), and collaborated with the fan club resources of celebrities such as “Cheng Yi” (成毅) and “Dylan Wang” (王鶴棣) to create a preferred offline gathering place for fans. Among them, the “Eggy Party City Challenge” (蛋仔派對城市挑戰賽) attracted more than 20,000 people to the store. Beijing Liying Store leveraged on its location advantage to organise the “Haitang Huaxi Life Festival” (海棠花溪生活節), connecting offline consumption scenes through the flower market, spring photo spots and interactive experience. During the event, total customer footfall increased by 25% YOY, sales increased by 16% YOY, and membership acquisitions soared by 343% YOY. Beijing Qianzi Store launched the “Crazy Pillow Fight” (瘋狂枕頭大戰) parent-child carnival, and invited the CCTV Spring Festival Gala robot team to perform on site, effectively broadening the reach of families and young customer bases.



Harnessing the Dual Drivers of Instant Retail and Livestreaming

The Northern China Region expanded its store service coverage and promoted the integration of online and offline channels through instant retail and themed livestream.

In terms of instant retail sector, Beijing Chongwen Store saw a 49% YOY increase in “JD Quick Delivery” (京東秒送) business. Beijing Liying Store launched “Meituan Instant Delivery” (美團即時達), further connecting multiple online sales channels, strengthening the connection between the store and surrounding communities, and boosting sales conversion. In terms of livestream sector, Beijing Chongwen Store established a linkage mechanism between “WeChat Shop” (微信小店) and “Channels Live” (視頻號直播), recording over 3 million views for its anniversary-themed live stream. Meanwhile, it partnered with “Gaode” (高德) platform to launch jewellery group coupons, with sales exceeding RMB1 million during the 618 shopping festival.

III. Central Western China Region

In the Central Western China Region, new first-tier cities and provincial capitals represented by Wuhan have successively rolled out policies such as special action for boosting consumption and pilot programmes for regional consumption centres. Local authorities have provided policy support for offline businesses through the introduction of consumption voucher and the promotion of first-store economy. Meanwhile, young customers in the region remained enthusiastic for local culture and popular dining options, while family-oriented, wellness and community-based businesses also presented development potential. However, as industry competition intensified, with ongoing expansion of commercial projects keep diverting existing customer traffic, overall foot traffic of most stores across the Central Western China Region was under pressure. Against this market backdrop, the Central Western China region has pursued operational refinements centred on brand mix optimisation, IP scenario marketing and cross-merchant collaboration, in a bid to activate the existing customer base and actively mitigate the operational impact of the industry downturn.

Leveraging the Traffic-Generating Effect of a Distinctive Brand Mix

During the year under review, the Central Western China Region leveraged distinctive brands within the trade area to generate traffic in light of the consumption behaviour of family customers, and achieved multi-category synergy within its malls, boosting overall sales performance.

The Zhengzhou Store introduced food and beverage (F&B) and tea drink brands such as “Domino’s Pizza” (達美樂), “Lausanjee”, “NO YEYE NO TEA” (爺爺不泡茶), “CoCo” (都可), “NingJi” (檸季) and “A Little Tea” (一點點), using high-frequency, essential F&B dining as a traffic driver to spur cross-selling in retail categories. The Wuhan Jianshe Store introduced regional first stores such as wellness SPA “Yuli” (予厘), along with experiential formats including “Honeypot Tennis” (蜜冠網球), “Mei KTV” and Wanyoo “Esports” (網魚電競), filling the gap in lifestyle service supply in the region and increasing customer visits and dwell time. The Mianyang Store launched the city’s first store of “361° Super Store” (361°超品店) and the trade area’s first store of “KAPPA”, further expanding the scale advantage of the sportswear category. The Yantai Store introduced smart education hardware brands such as “iFLYTEK” (科大訊飛) and “Zuoyebang” (作業幫), while completing the tenant recruitment and adjustment of digital technology brands including “ASUS” (華碩), “Honor” (榮耀) and “HP” (惠普), enriching the offering to family customers and strengthening cross-category synergy to drive traffic.



MANAGEMENT DISCUSSION AND ANALYSIS

Enriching Member Experience through Engaging Scenarios

During the year under review, the Central Western China Region leveraged unified IP campaigns to create marketing momentum, driving steady growth in overall foot traffic and membership base.

In terms of featured scenario marketing, the “Spring Flower Chase” (春日追花) campaign created an immersive consumption atmosphere through float pop-ups, themed photo booths and seasonal menus. Cumulative foot traffic reached approximately 2.02 million visits and member acquisition recorded a YOY increase of 16% during the period.

In terms of engaging activities and business integration, the Central Western China Region activated family traffic through high-frequency experience scenarios, driving cross-traffic between retail, F&B and ancillary businesses, thereby promoting overall mall engagement. Notably, the Mianyang Store collaborated with tenants to host featured events such as family run, sleeping competition and “Tang Palace Banquet” (唐宮夜宴). The Wuhan Xudong Branch Store created parent-child interactive experiences during Children’s Day, including “Snack Scoops of Fun” (零食鏟鏟樂) and “Childlike Surprise” (童心暴擊).

For social media promotion, the Wuhan Jianshe Store partnered with local influencers to release short videos of McDonald’s (麥當勞) birthday parties for families, which became a hot topic on Douyin regional search. Through social media, it precisely reached family customer base, effectively translating online traffic into in-store consumption.



Increasing In-Mall Spending through Merchant Collaboration

During the year under review, the Central Western China Region proactively carried out in-mall cross-brand collaborations, teamed up with neighbouring community organisations, and explored diversified operating approaches by leveraging mall space and service resources to broaden revenue channels.

Multiple cross-boundary experiential events were held in collaboration with in-mall merchants at the Wuhan Jianshe Store, including “Mao Geping” makeup and handcraft courses, “Chow Tai Fook” China Chic Salon and “Paris Baguette” (巴黎貝甜) afternoon tea picks by influencers, utilising scenario-based experiences to enhance customer stickiness and increase willingness to spend and cross-purchases.

Joint promotions were conducted with “Hema Fresh” (盒馬鮮生) for festive marketing at the Wuhan Xudong Branch Store, boosting sales momentum in the seafood section during the month. Subsequently, sales of fresh produce, alcoholic beverages and soft drinks were stimulated through durian festivals and hotpot festivals, fostering a neighbourhood spending environment.



OUTLOOK

With emerging various commercial formats, the diversification of business models and formats within the industry has further intensified the competition for market share, and the pressure arising from homogeneous business operations continues to mount.

Focusing on its overall operating strategy, the Group will continue to optimise its store format structure on the foundation of deep concession operations, promote the development of themed department store retail complexes of small and medium-size, and fully integrate traditional department store operations into the new market environment. The Group will actively explore an operational closed loop of “online traffic to offline conversion”, empowering physical store sales conversion through digital tools, while increasing the proportion of member sales and consumer stickiness.

At the same time, as national policies supporting retail innovation are successively rolled out, new development opportunities are emerging for community commercial formats that emphasise convenience and accessibility. The Group will actively seize policy opportunities, leverage the proximity-driven consumption advantages of its community stores, and take the “15-minute convenient living circle” as service radius to precisely address families’ daily purchasing and convenient shopping needs.

Drawing on over three decades of brand heritage as a Hong Kong-funded department store operator, the Group will closely align with policy directions and market consumption trends to build a sustainable business model capable of withstanding industry fluctuations, driving improvements and quality enhancement in operating performance through a clear strategic direction and a steady pace of execution.

FINANCIAL REVIEW

Revenue and Other Income

Revenue of the Group amounted to HK\$1,062.9 million in FY2026. The decrease in revenue was principally attributable to the reduction in commission income from concessionaire sales and direct sales.

The Group’s merchandise gross margin, comprising concessionaire commission income and direct sales margin, was 13.2% in FY2026. In FY2026, ladieswear, menswear and accessories represented approximately 34.2% of proceeds from concessionaire sales and direct sales, followed by gold, jewellery and watch at approximately 33.4%, cosmetic products at approximately 13.9% and sportswear at approximately 8.4%. The remaining proceeds were mainly generated from kidswear, groceries, electrical appliances and houseware products.

For direct sales operation, cosmetic products remained the principal contributor, accounting for approximately 84.3% of direct sales revenue in FY2026, while supermarkets contributed the remaining approximately 15.7%.

Rental income of the Group amounted to HK\$548.1 million in FY2026 while interest income from finance leases as the lessor was HK\$11.2 million.

Other income amounted to HK\$221.0 million in FY2026, compared with HK\$337.5 million in FY2025. The decrease was mainly attributable to the one-off compensation income of HK\$79.9 million recognised in FY2025 in connection with the expropriation of certain investment properties by the local government. In addition, income derived from suppliers, concessionaires and tenants was lower compared with the prior year.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Losses, Net

Net other losses totalled HK\$372.7 million in FY2026 primarily reflecting one-off impairment loss on goodwill of HK\$390.5 million, fair value loss of financial assets at fair value through profit or loss of HK\$15.4 million and aggregate net losses on derecognition and lease modification of finance lease receivables of HK\$14.5 million. These losses were partially mitigated by net gain on derecognition of right-of-use assets of HK\$29.6 million and net gain on derecognition of lease liabilities and right-of-use assets of HK\$23.4 million.

Changes in Fair Value of Investment Properties

Loss on fair value of investment properties amounted to HK\$524.9 million in FY2026, primarily reflecting a drop in the fair value of investment properties located in Shanghai, following the latest policy in Shanghai in relation to the extension of terms of land use right and the higher rate of land premium.

Purchases of and Changes in Inventories, Net

Purchases of and net changes in inventories, which mainly comprised the cost of goods sold related to direct sales, declined from HK\$247.6 million in FY2025 to HK\$217.5 million in FY2026, broadly in line with the decrease in direct sales revenue during the year.

Purchases of Promotion Items

Purchases of promotion items represented the costs of promotion items provided to customers in respect of concessionaire sales and direct sales upon consumption in stores or redemption of reward points under customer loyalty programme. The amount decreased from HK\$7.4 million in FY2025 to HK\$3.9 million in FY2026, primarily due to changes in promotional activities.

Employee Benefit Expense

Employee benefit expense slightly increased from HK\$324.3 million in FY2025 to HK\$327.9 million in FY2026, mainly attributable to one-off employee compensation costs associated with workforce optimisation and organisational restructuring initiatives undertaken during the year.

Depreciation

Depreciation expense declined from HK\$324.9 million in FY2025 to HK\$311.8 million in FY2026, mainly reflecting the full depreciation of certain properties, plant and equipment.

Rental Expense

Rental expense dropped from HK\$59.8 million in FY2025 to HK\$44.5 million in FY2026, primarily attributable to lower turnover rent incurred by certain stores.

Other Operating Expenses, Net

Net other operating expenses decreased from HK\$276.7 million in FY2025 to HK\$209.2 million in FY2026, primarily due to tightened control of operating costs across various categories, including property management and related expenses, electricity and water expenses and selling expenses, together with an increase in net exchange gain.

Operating (Loss)/Profit

The Group recorded an operating loss of HK\$728.5 million in FY2026, compared with an operating profit of HK\$288.3 million in FY2025. This was principally attributable to the recognition of impairment loss on goodwill and the fair value loss on investment properties.

Finance Costs, Net

Net finance costs decreased from HK\$162.4 million in FY2025 to HK\$129.5 million in FY2026, primarily due to lower interest expenses on lease liabilities as a result of the reduction in outstanding lease liabilities. In addition, average borrowing costs declined during the year because of the drop in Hong Kong Interbank Offered Rate.

Income Tax Credit/(Expense)

The Group recorded an income tax credit of HK\$81.9 million in FY2026, compared with an income tax expense of HK\$100.5 million in FY2025, mainly attributable to the recognition of deferred income tax credit and the reversal of over-provision for current income tax related to prior years.

(Loss)/Profit for the Year

Reflecting the combined impact of the factors discussed above, the Group recorded a loss for the year of HK\$776.1 million in FY2026, compared with a profit for the year of HK\$25.3 million in FY2025.

Liquidity and Financial Resources

Fixed deposits with original maturity over three months, together with cash and bank balances of the Group, amounted to HK\$413.0 million as at 30 June 2026 (30 June 2025: HK\$743.2 million).

As at 30 June 2026, the Group's borrowings amounted to HK\$1,363.7 million (30 June 2025: HK\$1,399.7 million).

As at 30 June 2026, the Group was in net debt position of HK\$950.7 million (30 June 2025: HK\$656.5 million).

As at 30 June 2026, the Group's current liabilities exceeded its current assets by HK\$1,836.3 million (30 June 2025: HK\$1,919.2 million). The Group continues to closely monitor its rolling liquidity forecasts to ensure that sufficient financial resources are available to meet its operational requirements and to satisfy its liabilities and commitments as they fall due.

The capital commitments of the Group as at 30 June 2026 were HK\$34.3 million (30 June 2025: HK\$44.4 million) in respect of contracted capital expenditure that had not been recognised in the consolidated statement of financial position.

Pledge of Assets

As at 30 June 2026, certain investment properties of the Group were pledged to secure banking facilities granted to the Group.

Treasury Policies

The Group's operations are principally located in the Chinese Mainland, with most transactions denominated in RMB. Accordingly, the Group is mainly exposed to foreign exchange risk arising from movements between 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 had no significant contingent liabilities as at 30 June 2026.

DIRECTORS' PROFILE



Executive Director

Dr. Cheng Kar-shun, Henry

GBM, GBS

Aged 79

Appointed as the Chairman of the Board and an Executive Director in January 2026. Dr. Cheng is a member of the Executive Committee of the Board. He was appointed as a director of NWD in October 1972, an executive director of NWD in 1973, became the managing director of NWD from 1989 and the chairman of NWD from March 2012. He is the chairman and executive director of CTF Services Limited and Chow Tai Fook Jewellery Group Limited, and the chairman and non-executive director of FSE Lifestyle Services Limited and CTF Media & Entertainment Limited (formerly known as i-CABLE Communications Limited), all of which are listed public companies in Hong Kong. Dr. Cheng is a director and honorary chairman of NWCL. He is a director of Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, Chow Tai Fook Capital Limited, Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, all of which are substantial shareholders of the Company. Dr. Cheng is the chairman of the Advisory Council for The Better Hong Kong Foundation. He was a Standing Committee Member of the Twelfth Chinese People's Political Consultative Conference of The People's Republic of China. Dr. Cheng was awarded the Gold Bauhinia Star and the Grand Bauhinia Medal in 2001 and 2017 respectively by the Government of the Hong Kong Special Administrative Region ("HKSAR").



Executive Director

Ms. Huang Shaomei, Echo

JP

Aged 57

Appointed as the Vice-chairman of the Board and an Executive Director in January 2026. Ms. Huang is the chairman of the Executive Committee of the Board. She was appointed as an executive director of NWD in May 2020, became the chief executive officer of NWD in November 2024. Ms. Huang joined the NWD Group in October 2015 and successively served as the deputy chief executive officer of NWCL and director & chief executive officer of NWCL. Currently, she is a director of NWCL. She has over 20 years of experience in the real estate sector, having served in a consulting capacity for large-scale urban infrastructures, urban planning and urban renewal in the Chinese Mainland for extensive periods, providing the Mainland Government with professional recommendations on property development, urban planning and relevant professional advice. Prior to joining the NWD Group, Ms. Huang held senior position with an international consulting firm. She was appointed as managing director (Southern China) of a Hong Kong-listed property developer, overseeing its property development throughout the southern China region. She has proven experience in the development and management of China's real estate sector. Ms. Huang was appointed as a Justice of the Peace in 2026 by the HKSAR Government. She is also the vice chairman and executive member of the 3rd China Charity Alliance (CCA). She has been honoured with the title of "Guangzhou Honorary Citizen" (the 17th batch), and serves as a member of the 12th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (CPPCC), a standing committee member and the deputy director of the Hong Kong, Macao and Taiwan Commission as well as the convener of the Hong Kong delegation of the 13th Guangdong Provincial Committee of the CPPCC.



Executive Director

Ms. Woo Yuk-kwan Rebecca
Aged 60

Appointed as an Executive Director and the Chief Executive Officer of the Company in April 2026. Ms. Woo is a member of the Executive Committee of the Board. She has over 30 years' experience in retail and real estate across the Chinese Mainland and Hong Kong. Ms. Woo joined the Company in 1993 and was promoted to Corporate Affairs Director in 2003 until 2014 when she was transferred to K11 Concepts Limited ("K11") (a wholly owned subsidiary of New World Development Company Limited) as Operation Director. She was then promoted to Senior Operation Director of K11 in July 2018. She left K11 in March 2025 to devote more time to pursue her personal endeavors.

In October 2025, Ms. Woo was appointed Adjunct Associate Professor at the University of Hong Kong's Faculty of Business and Economics. Currently, she is the part-time lecturer and program leader of Hong Kong Management Association. Ms. Woo holds a Bachelor of Business from the University of Technology, Sydney, and an Associate Degree in Arts from Ohio University.



Executive Director

Ms. Chiu Wai-han, Jenny
Aged 55

Appointed as a Non-executive Director in May 2021 and re-designated as an Executive Director in June 2025. Ms. Chiu is a member of the Executive Committee, the Remuneration Committee and the Nomination Committee of the Board and is responsible for overseeing the corporate services of the Company. Ms. Chiu is also a director of certain subsidiaries of the Group. She was appointed as an executive director of NWD in May 2020. Ms. Chiu joined the NWD Group in 2004 and is currently the senior director of Corporate Services of NWD. Ms. Chiu is responsible for corporate services of the NWD Group including human resources, administration and information technology. Prior to joining the NWD Group, she had taken up managerial role in renowned corporations in information and communications technology services and property development industries. Ms. Chiu graduated from The Chinese University of Hong Kong. She is an Associate Member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Ms. Chiu possesses over 20 years of experience in human resources and corporate management. Ms. Chiu is a member of the Employees Retraining Board, and a member of the Advisory Committee of the Partnership Fund for the Disadvantaged, and the Advisory Committee on Social Work Training and Manpower Planning of Social Welfare Department. She is also a member of the Advisory Board for Bachelor of Liberal Arts (Hons) in Global Development and Sustainability of Lingnan University, and a member of the Business Career Development Advisory Committee of the College of Business at City University of Hong Kong.

DIRECTORS' PROFILE



Executive Director

Mr. Lau Fu-keung

Aged 47

Appointed as an Executive Director in June 2025. Mr. Lau is a member of the Executive Committee, the Remuneration Committee and the Nomination Committee of the Board and is responsible for overseeing the financial management of the Company. Mr. Lau is also a director of certain subsidiaries of the Group. He joined NWD in June 2020 and is currently an executive director, chief financial officer and joint company secretary of NWD. Mr. Lau is responsible for finance, accounting, treasury, tax, mergers & acquisitions, company secretarial matters and investor relations of the NWD Group. Prior to joining NWD, Mr. Lau was the chief financial officer of a Chinese property developer with business focus in Greater Bay Area. He held various senior positions in equity capital markets and global credit trading with global investment banks prior to his CFO career.

Mr. Lau is a member of the Listing Committee of The Stock Exchange of Hong Kong Limited, a member of the Advisory Committee of the Accounting and Financial Reporting Council, a member of the Governance Professionals Panel of Hong Kong Chartered Governance Institute, a member of the Advisory Council of Climate Governance Initiative Hong Kong, a member of the Advisory Board of Hong Kong Investor Relations Association, a council member of The Chinese Academy of Governance (Hong Kong) Industrial and Commercial Professionals Alumni Association, a member of the Fundraising Committee and Social Enterprise Committee of The Neighbourhood Advice-Action Council, a member of the Finance Committee of Scout Association of Hong Kong, the treasurer of HKI Regional Scout Foundation Fund Management Committee, a member of the Finance and Strategy Committee of The Football Association of Hong Kong, China, a member of the Career Development Advisory Board of the School of Humanities and Social Science at the Hong Kong University of Science and Technology, a member of the Career Development Advisory Committee for Business Master Programmes of College of Business at City University of Hong Kong, and a board member of the Wah Yan Post-Secondary Education Trust Fund.

Mr. Lau received his Bachelor of Business Administration in Finance (with Distinction) and Master of Accounting (with Distinction) from the Ross School of Business at the University of Michigan, Ann Arbor, U.S. in 2001 and 2002 respectively. He is also a U.S. Certified Public Accountant (Licensed in Michigan), a fellow member of CPA Australia and a fellow of Hong Kong Institute of Directors.



Executive Director

Mr. Chan Yiu-ho

Aged 53

Appointed as an Executive Director in June 2025. Mr. Chan is a member of the Executive Committee, the Remuneration Committee and the Nomination Committee of the Board and is responsible for overseeing the operation of the Company. Mr. Chan is also a director of certain subsidiaries of the Group. He joined the NWD Group in January 2000 as Shenyang Regional Financial Controller of NWCL and successively served as Shenyang Regional Chief Executive, Regional Chief Executive, North China, General Manager of North China and Northeast China; and the Chief Operating Officer of NWCL. Currently, Mr. Chan is an executive director of NWD and a director and the Chief Executive Officer of NWCL. He holds a Bachelor Degree in Business Administration from the Chinese University of Hong Kong, and has over 25 years of experience in real estate development in the PRC. Mr. Chan is a Committee Member of the 16th Chinese People's Political Consultative Conference of Shenyang. Prior to joining the NWD Group, Mr. Chan worked for an international accounting firm in Hong Kong. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants of the United Kingdom.



Independent Non-executive Director

Mr. Cheong Ying-chew, Henry

Aged 78

Appointed as an Independent Non-executive Director in June 2007. He is also a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Board. Mr. Cheong has over 40 years' experience in the securities industry. He is currently an executive director and the deputy chairman of Worldsec Limited, a company listed on the London Stock Exchange. Mr. Cheong is also an independent non-executive director of each of CK Infrastructure Holdings Limited, CK Asset Holdings Limited and Skyworth Group Limited, all being listed public companies in Hong Kong; and an independent director of BTS Group Holdings Public Company Limited, a company listed on the Stock Exchange of Thailand. Mr. Cheong holds a Bachelor of Science (Mathematics) Degree from Chelsea College, University of London and a Master of Science (Operational Research and Management) Degree from Imperial College, University of London.

DIRECTORS' PROFILE



Independent Non-executive Director

Mr. Chan Yiu-tong, Ivan

Aged 72

Appointed as an Independent Non-executive Director in June 2007. He is also the chairman of the Audit Committee of the Board and a member of the Nomination Committee and the Remuneration Committee of the Board. Mr. Chan has more than 20 years of audit and consulting experience with multinational and PRC corporations. He was the audit engagement partner for many of the B-share and H-share listings in the early 90s. In addition, Mr. Chan had been with a leading British merchant bank and an international accounting firm, specializing in mergers and acquisitions in the PRC. Mr. Chan graduated from the London School of Economics with a Bachelor of Science Degree in Economics.



Independent Non-executive Director

Mr. Tong Hang-chan, Peter

Aged 82

Appointed as an Independent Non-executive Director in June 2007. He is also the chairman of the Remuneration Committee of the Board and a member of the Audit committee and the Nomination Committee of the Board. Mr. Tong is currently a principal consultant of World Link CPA Limited. He has more than 50 years of management experience with leading international retail chains and high-tech companies in Hong Kong and Southeast Asia, specializing in high-fashion and accessories brand management as well as in establishing sales and distribution networks through joint ventures and franchises. Mr. Tong was the chief operating officer of Mongolia Energy Corporation Limited, an executive director of Sa Sa International Holdings Limited, a vice president of Tiger Enterprises Limited and the president of Giordano Japan Limited (both are subsidiaries of Giordano International Limited), the managing director of Longchamp Company Limited, an executive director of Dickson Development Company Limited, and the managing director of Christabel Trading Company Limited and Verwin Company Limited (both are affiliates of The Swank Shop). Mr. Tong has been appointed as the chairman of Human Resources Committee, a vice chairman of Scout Supply Services Committee, a member of Scout Council and Executive Committee of Scout Association of Hong Kong.



Independent Non-executive Director

Mr. Yu Chun-fai

Aged 64

Appointed as an Independent Non-executive Director in June 2007. He is also the chairman of the Nomination Committee of the Board and a member of the Audit Committee and the Remuneration Committee of the Board. He has over 30 years of experience in the financial industry. Mr. Yu is the founder, and was the chairman, chief executive officer and an executive director of Oriental Payment Group Holdings Limited for the period from January 2018 to July 2019, and has been re-appointed as an executive director with effect from November 2022 until his retirement on 21 July 2023. Mr. Yu was also an independent non-executive director of Minerva Group Holding Limited (formerly known as Power Financial Group Limited). He is the founder, and was the chairman and an executive director of China Smartpay Group Holdings Limited (formerly known as Oriental City Group Holdings Limited), all being listed public companies in Hong Kong. Prior to establishing Oriental City Group, Mr. Yu worked for Morgan Stanley, AIG Asset Management (Asia) Ltd, and Allianz Dresdner Asset Management.



Independent Non-executive Director

Ms. Ho Pui-yun, Gloria

Aged 45

Appointed as an Independent Non-executive Director in May 2023. She is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board. Ms. Ho is currently the Chief Financial Officer and an executive director of Sunshine Oilsands Ltd., a listed public company in Hong Kong. She has extensive experience and expertise in investment, risk management, corporate banking and finance fields. She had previously undertaken equity research, credit analysis, capital strategy, fund management and auditing work in international financial institutions and had acted as the Chief Executive of a Chinese-based asset management company. Ms. Ho holds a Master of Science in Finance degree at the University of Illinois Urbana-Champaign and a Postgraduate Certificate in Financial Engineering at Stanford University. She is a Chartered Accountant in England and Wales, a Certified Public Accountant in Hong Kong, a Chartered Financial Analyst (CFA) and a Chartered Alternative Investment Analyst (CAIA).

ABOUT THIS REPORT

REPORTING PERIOD

This section sets out the policies, initiatives and performance of New World Department Store China Limited and its subsidiaries (hereinafter referred to as “New World Department Store”, “NWDS”, the “Group” or “we”) on environmental, social and governance (ESG) matters for the reporting period from 1 July 2025 to 30 June 2026.

REPORTING SCOPE

Unless otherwise specified, the scope of this section covers the Group’s retail operations in Mainland China as well as its offices in Hong Kong and Shanghai of China.

REPORTING PRINCIPLES

This section is prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”) 2021 Edition and the requirements of Appendix C2 Environmental, Social and Governance Reporting Code under the Listing Rules of The Stock Exchange of Hong Kong Limited (“HKEX”). In compliance with HKEX requirements, we adhere to the following principles:



Materiality:

Identify key ESG issues through materiality assessment and disclose relevant information in this section.



Quantification:

Disclose information on the standards, methodologies, assumptions and conversion factors adopted for calculating key performance indicators.



Balance:

This section presents an unbiased view of the issuer's performance.



Consistency:

The methodologies adopted for disclosing ESG information in this section are consistent with those applied in the 2025 financial year sustainability report, with no material changes to the reporting scope. Special circumstances, if any, are specifically explained in this section.

REPORT ASSURANCE

This section is extracted from the 2026 financial year sustainability report, which has obtained independent assurance from SGS-CSTC Standards Technical Services Co., Ltd.

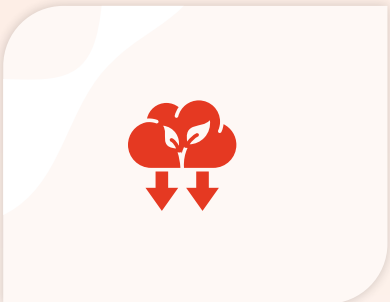
CONTACT US

We welcome your feedback on this report and other sustainability-related matters. Please email us at shmocad@nwds.com.cn.

2026 PERFORMANCE HIGHLIGHTS



ENVIRONMENTAL



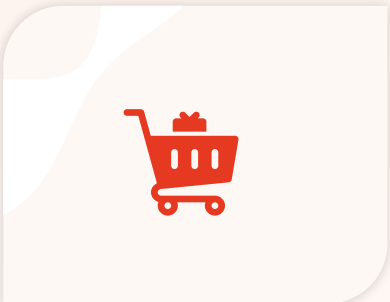
GHG emissions (Scope 1 and Scope 2) intensity: **0.05** tCO₂e/m², representing an **8.4%** year-on-year decrease



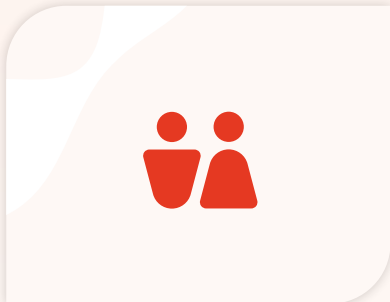
Energy-consumption intensity: **0.435** GJ/m², representing a **6.5%** year-on-year decrease



SOCIAL



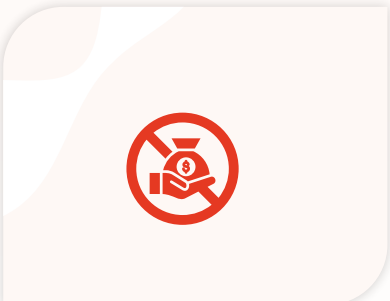
Pushing forward digital transformation by integrating online-offline scenarios to continuously optimise consumer experience



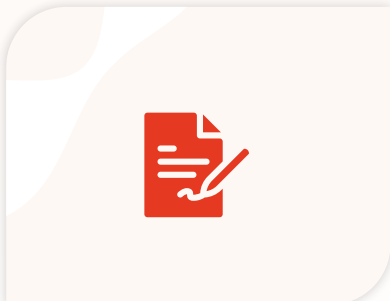
Female employees account for **48%** of total workforce; basic-salary and remuneration ratio of female-to-male employees stands at **1.03**



GOVERNANCE



No corruption-related litigation cases occurred



No intellectual-property-infringement cases occurred



Regular inspection of water-supply pipe networks to rectify leakage risks; water consumption decreased by **12%** year-on-year



Practising circular-economy principles; general solid-waste intensity (kg/m²) decreased by nearly **30%** year-on-year



Total employee training hours reached **24,237** hours



No substantiated privacy-breach or data-security incidents occurred

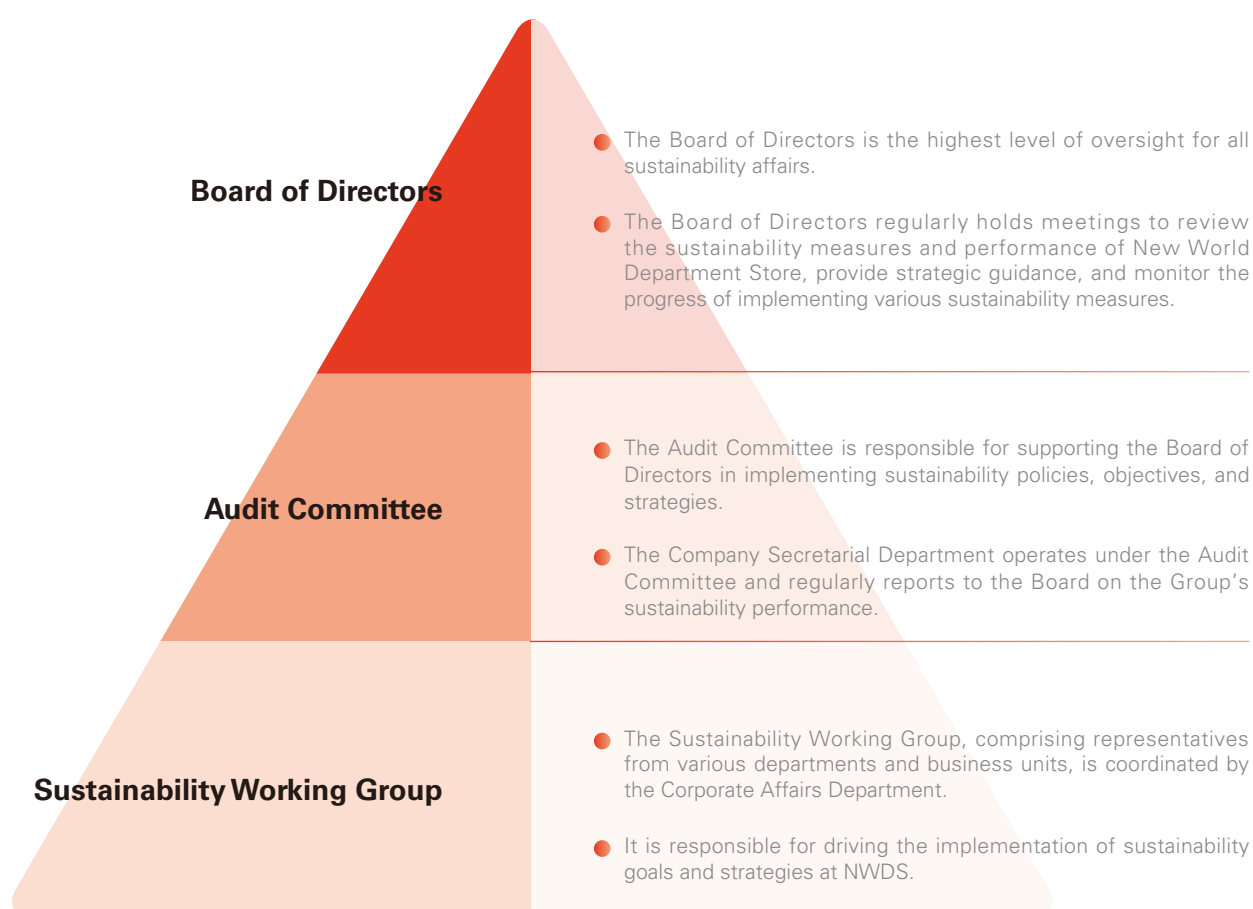
SUSTAINABILITY MANAGEMENT

Rooted in a robust sustainability-governance system, New World Department Store integrates sustainability philosophy fully into its management practices. Under the top-level steerage of the Board of Directors, we anchor our long-term development vision and formulate five core sustainability priorities covering environmental, social and governance dimensions. The Group has established regular stakeholder-engagement mechanisms to dynamically identify and assess material ESG issues, align corporate-development strategy with advanced industry standards and deliver robust, high-quality sustainable development.

SUSTAINABILITY GOVERNANCE

The Group has built a systematic sustainability-management system featuring Board-level oversight and multi-departmental collaborative delivery, embedding sustainability into corporate strategic planning and day-to-day operations. The Board of Directors holds the highest-level decision-making and oversight responsibilities for sustainability. It regularly reviews progress against sustainability targets and evaluates potential operational risks, ensuring full alignment between the Group's sustainability strategy and long-term value objectives.

Under authorisation from the Board, the Audit Committee performs governance-oversight functions, while the Company Secretarial Department co-ordinates implementation and execution to guarantee efficient governance workflows. With clear accountability and co-ordination mechanisms in place, the Group implements a closed-loop management system covering strategy formulation, target decomposition, execution and post-implementation review, ensuring effective delivery of sustainability initiatives and continuous improvement of governance standards.



NWDS's Sustainable Development Governance Structure and Responsibilities

STATEMENT OF THE BOARD OF DIRECTORS

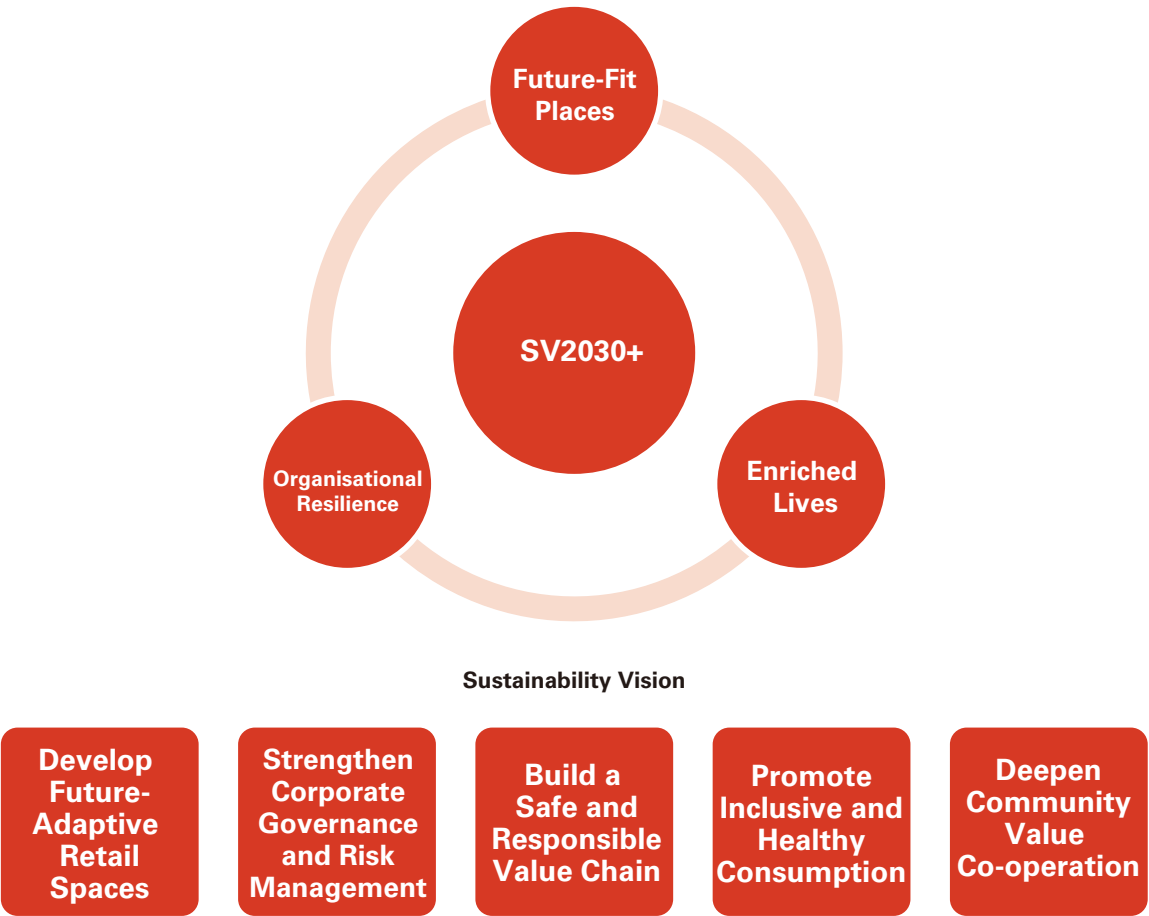
The Board of Directors bears ultimate responsibility for ESG governance. It takes overall charge of formulating ESG policies, strategies and targets, and oversees implementation progress and disclosure quality. To ensure sustainability is deeply embedded in the Group's long-term strategy, the Board regularly reviews the Group's ESG performance, underlying risks and opportunities, scrutinises the annual sustainability report and adjusts business-development directions as appropriate. Under the Board's co-ordination, a top-down governance structure is established: the Audit Committee exercises dedicated oversight over ESG matters, while the cross-departmental Sustainability Working Group is tasked with implementing relevant strategies.

From a risk-control perspective, ESG risks have been incorporated into the Group's enterprise-wide risk-management system. Supported by functional departments, we continuously identify and evaluate the probability and impact of ESG-related risks and opportunities, formulate corresponding response measures and dynamically monitor risk evolution to ensure potential risks are effectively managed.

The Board monitors operational performance metrics such as energy-consumption intensity by means of regular reviews, to ensure energy-saving and emission-reduction initiatives are implemented effectively and to drive transition towards a low-carbon, efficient operating model. To further strengthen strategic resilience against climate change, the Group conducted climate-scenario analysis for the first time during the Reporting Period and completed preliminary quantitative financial assessment. We will regularly and scientifically estimate the potential financial and operational impacts of climate-related risks and opportunities over the medium-to-long-term horizon, providing robust quantitative decision support for capital allocation and low-carbon transition in future.

NEW WORLD DEPARTMENT STORE SUSTAINABILITY VISION 2030+ (SV2030+)

Aligned with New World Development’s corporate-wide Sustainability Vision 2030+ (SV2030+), the Group has refined its sustainability strategy around three core pillars: Future-Fit Places, Organisational Resilience and Enriched Lives. Five overarching sustainability principles have been defined to clarify work priorities and drive improvement in sustainability-management effectiveness and execution.



Sustainable Development Core Guidelines

New World Department Store integrates the United Nations Sustainable Development Goals (SDGs) into its sustainability vision, enhancing brand value and market competitiveness, discharging corporate-social responsibilities and contributing to global sustainable-development progress.

Sustainability Pillar	Sustainability Principle	Focus Areas	SDGs	Relevant Chapter
Future-Fit Places	Develop Future-Fit Retail Spaces	Energy efficiency Addressing climate change Waste management Water-resource management	6 CLEAN WATER AND SANITATION 	2. Advancing Green Retail Operations
			7 AFFORDABLE AND CLEAN ENERGY 	
			13 CLIMATE ACTION 	
Organisational Resilience	Strengthen Corporate Governance and Risk Management	Corporate governance Business ethics	8 DECENT WORK AND ECONOMIC GROWTH 	1. Strengthening Governance Foundations
	Build a Safe and Responsible Value Chain	Responsible supply-chain	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	4. Partner Collaboration
Enriched Lives	Promote Inclusive and Healthy Consumption	Customer health and safety Green-product offerings Responsible marketing Digital innovation	3 GOOD HEALTH AND WELL-BEING 	3. Service at the Core
	Deepen Community Value Co-creation	Diversity and inclusion Employee wellbeing and engagement Employee remuneration and benefits Employee training and development Community investment	1 NO POVERTY  4 QUALITY EDUCATION  5 GENDER EQUALITY  11 SUSTAINABLE CITIES AND COMMUNITIES 	5. Inclusive Community Development

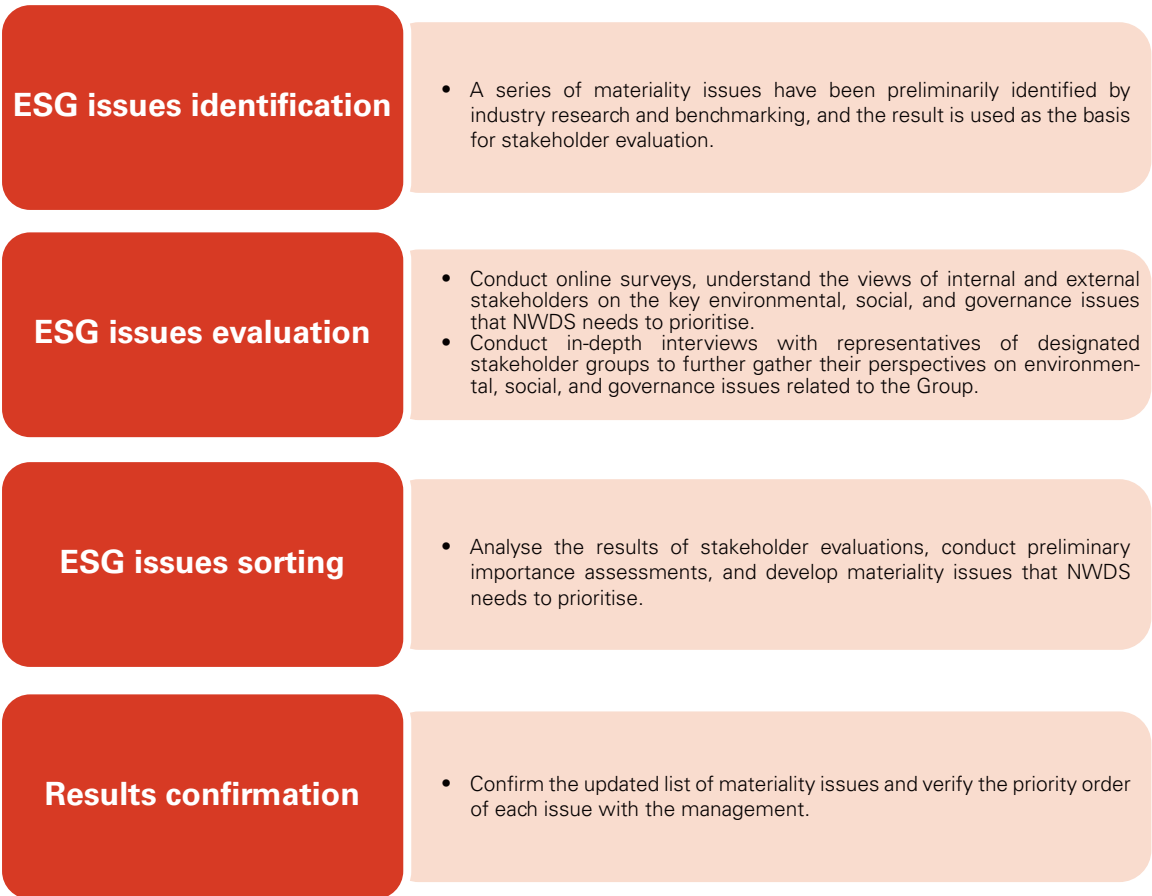
STAKEHOLDER COMMUNICATION

The Group continuously optimises its stakeholder-communication mechanisms. Drawing on diversified channels, we accurately identify and respond to core ESG concerns of different stakeholders. Communication strategies are dynamically adjusted in response to regulatory requirements and industry trends, and stakeholder feedback is incorporated into business decision-making and ESG-management improvement.

Stakeholder Category	Communication Channel
Shareholders and investors	- Annual Shareholders' Meeting and Performance Announcement - Annual report, interim report, and sustainability report - Investor meetings and conferences - Environmental, Social, and Governance Awards - Enterprise website
Government, regulatory agencies, and industry associations	- Schemes or charters initiated by the government or industry associations - Industry seminars or conferences
Customers	- VIP memberships and events - Customer service counters and hotlines - Customer mobile application - WeChat official platforms and other social media channels - Corporate website
Management level of the Group	- New World Department Stores Management Annual and Semi-Annual Meetings - Half year major risk reporting mechanism
Employees	- Taskforces and Committee - Training activities and talent development plan - Staff competitions and team-building activities - Quarterly staff e-newsletter "New Angle" - WeChat official platforms and other social media sites
Suppliers or contractors	- Tendering and procurement processes - Briefings, meetings, and visits - Supplier assessment and performance review
Media	- Media interviews and releases - Feedback and responses to media enquiries
Local communities	- Public or community events - Community initiatives such as sponsorships and donations - Volunteering - Joint events with non-profit organizations

MATERIALITY ASSESSMENT

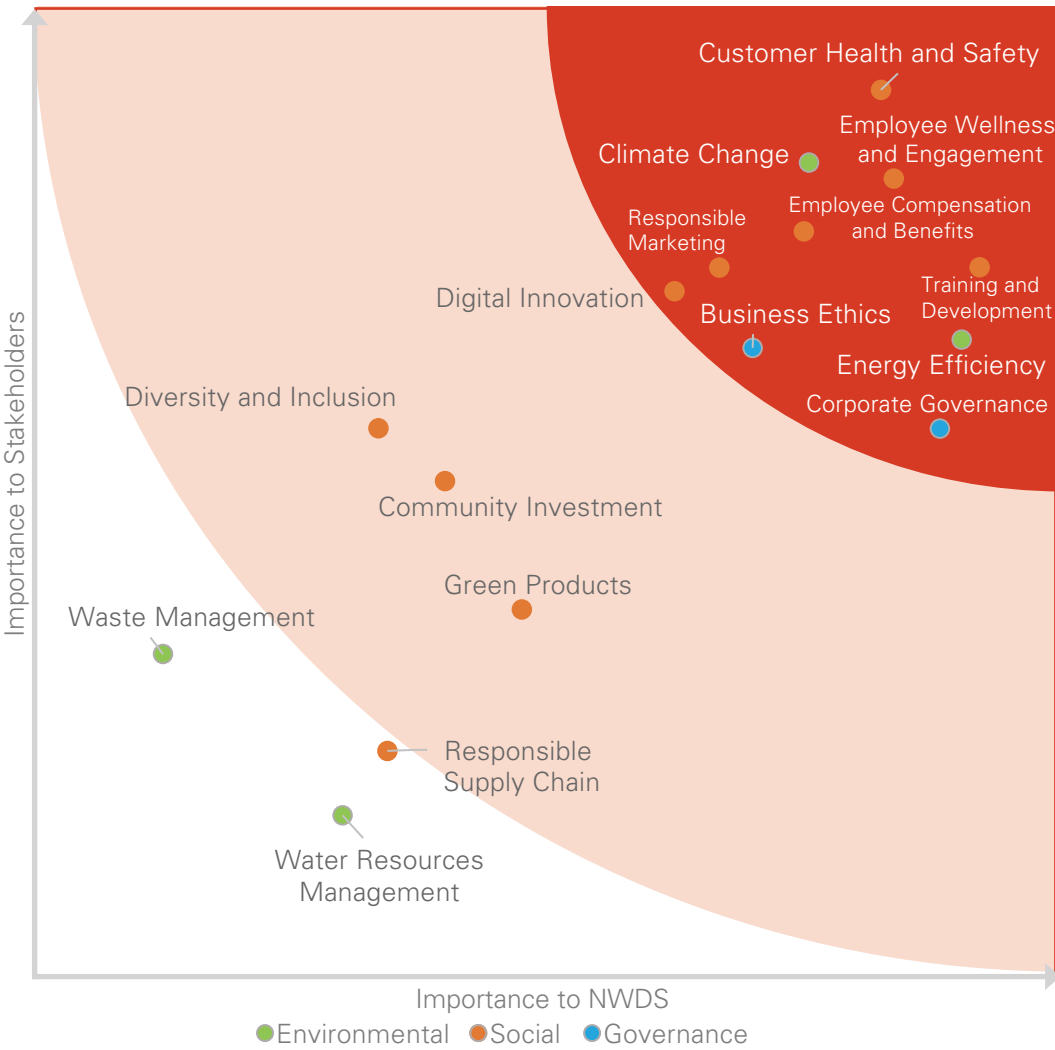
Leveraging multi-faceted communication channels and guided by regulatory requirements and industry trends, the Group maintains a formal material-issue identification and evaluation mechanism. Based on professional analysis of assessment outcomes, we dynamically update our ESG materiality matrix to support strategic decision-making.



Material Issue Identification and Assessment Process

Sustainability Report / Sustainability Management

During the Reporting Period, we reviewed the findings from the FY2025 material issue assessment. Taking into account external environment shifts and corporate business development factors, we systematically reviewed and updated the ESG material issues¹ for FY2026. Detailed disclosures on the 16 identified material issues are set out in this report.



New World Department Store Materiality Matrix

¹ This fiscal year, the Group has added Digital Innovation as highly important issue.

Highly important		Important		Medium importance	
Climate Change	E	Green Products	S	Water Resources Management	E
Energy Efficiency	E	Community Investment	S	Waste Management	E
Customer Health and Safety	S	Diversity and Inclusion	S		
Employee Wellness and Engagement	S	Responsible Supply Chain	S		
Employee Compensation and Benefits	S				
Responsible Marketing	S				
Training and Development	S				
Digital Innovation	S				
Corporate Governance	G				
Business Ethics	G				

ESG RISKS AND OPPORTUNITIES

The Group embeds sustainability considerations fully within its enterprise-risk-management framework and systematically identifies core ESG risks and opportunities materially relevant to its operations. Tailored, actionable response measures are formulated to mitigate operational risks and capture sustainability-related opportunities. Long-term management mechanisms are established to refine end-to-end ESG-risk-management capabilities, enhancing forward-looking and systematic risk-control practices and underpinning sustainable business operations.



NWDS ESG Risks and Opportunities

To build ESG risk management defences spanning strategic decision-making and operational delivery, the Group adopts differentiated measures at different organisational levels. At decision-making level, dedicated training sessions are arranged for all Directors. Training content covers the Group's ESG performance, peer industry practices and HKEX climate disclosure requirements, to strengthen senior leadership strategic decision-making capabilities. Going forward, the Group will further formalise regular climate information reporting workflows for the Board to support Directors' understanding of climate related risks and opportunities. At execution level, ESG compliance requirements are translated into day-to-day operations, taking account of real-world business contexts and risk control pain points across functional departments and stores.

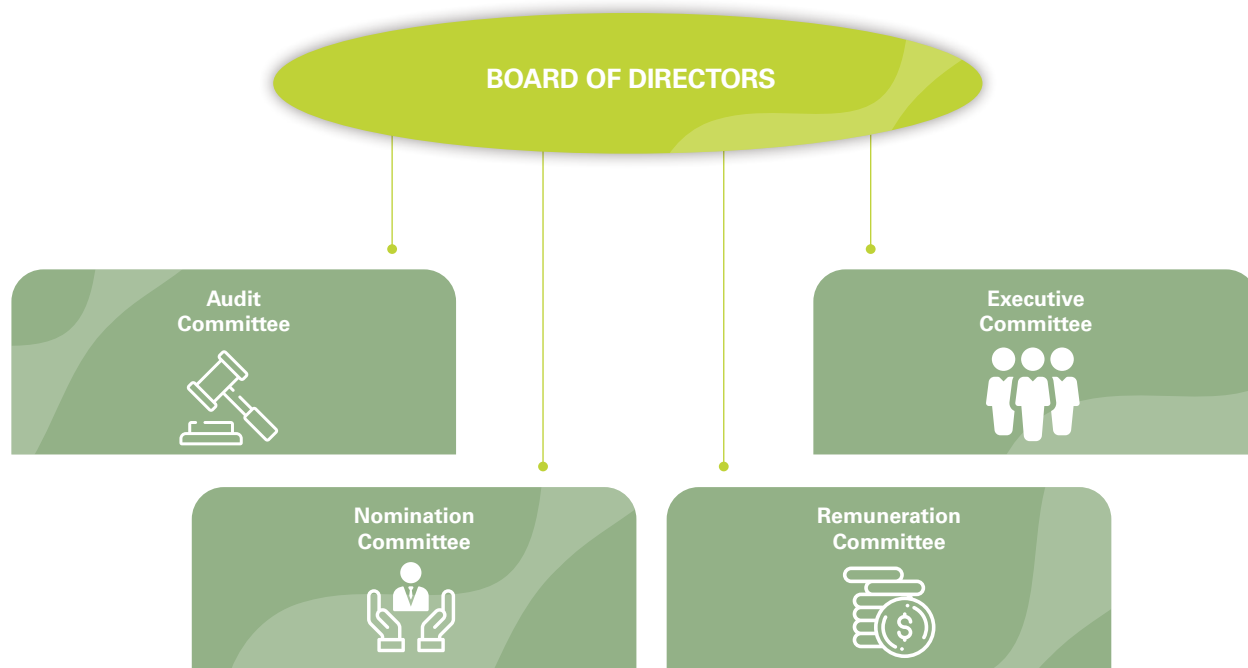
1. GOVERNANCE FOUNDATIONS

NWDS complies with laws, regulations and listing regulatory requirements applicable in its jurisdictions of operation and fulfils corporate compliance obligations. The Group continuously enhances its compliance and risk management system and upholds high standards of business ethics, laying solid foundations for stable operations and long-term development.

1.1 COMPLIANCE GOVERNANCE

CORPORATE GOVERNANCE

The Group strictly complies with laws and regulations including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and Appendix C1 Corporate Governance Code under the Main Board Listing Rules of HKEX, and maintains a sound corporate governance framework. The Board of Directors is the core governance body with overall oversight of corporate strategic decision-making. Under the Board's leadership, the Audit Committee, Nomination Committee, Remuneration Committee and Executive Committee each discharge their respective responsibilities to support robust, well-informed and effective Board decision-making.



Board Governance Structure

BOARD DIVERSITY

The Group has adopted and continues to implement a Board diversity policy. Appointments to the Board are merit-based. Multiple dimensions are considered, including gender, age, educational background, professional expertise, industry experience and cultural background, to secure complementary strengths in professional competencies, management experience and strategic vision and improve overall governance effectiveness. The Nomination Committee regularly reviews policy implementation and monitors progress against diversity objectives.

As at the end of the Reporting Period, the Board comprised 11 members, 6 executive Directors and 5 independent non-executive Directors, among whom 4 are female Directors, well above the Group's target of maintaining a female Director proportion of no less than 20 %. All Board members possess in-depth industry experience and extensive management expertise to support stable operations and long-term corporate development.

Full biographies of Directors are available on the Group's official website.

RISK MANAGEMENT

The Group attaches great importance to enterprise-wide risk management and internal control system development. It collaborates actively with its parent company to conduct annual risk assessments, integrating sustainability considerations into business operations. Risk assessments cover four key dimensions: strategy, policy and regulatory compliance, finance and business operations. Scientific quantitative methodologies are deployed to identify, evaluate and prioritise risks, review existing control measures comprehensively and analyse risk and opportunity response strategies, providing robust support for risk control management.

In respect of internal controls, a sound internal control system is regarded as core to robust governance. Audit priorities are dynamically adjusted in light of operational realities and development needs, and the internal control management system is continuously optimised.

Operational Management Audit	During the fiscal year, ten operational management audit projects were undertaken, with a particular focus on tenant sales data reporting, area management, and early tenant openings.
Equipment Safety Audit	During the fiscal year, eight equipment safety audit projects were undertaken, with a particular focus on ensuring the safe, stable, and sound operation of fire safety equipment and installations, electrical equipment and installations, and other related facilities.
Digital Audit	During the fiscal year, eleven digital audit projects were undertaken, with a particular focus on application security and operations and maintenance management.

Annual Key Audit Tasks

1.2 BUSINESS ETHICS

ANTI-FRAUD AND ANTI-CORRUPTION

New World Department Store strictly observes laws including the *Anti-Unfair Competition Law of the People's Republic of China* and the *Anti-Money Laundering Law of the People's Republic of China*, and adopts a zero-tolerance stance towards all forms of fraud and corruption. Internal policies including the *Employee Professional Ethics* and the *Management Accountability Policy* are in place, explicitly prohibiting improper benefit transfers and reinforcing accountability to foster an integrity-oriented corporate culture.

To strengthen compliance management, the Group issued the *Anti-Fraud and Anti-Corruption Policy* in the current year. This policy further specifies requirements for prevention, identification and handling of fraud and corruption related irregularities, and clarifies that all suspected or substantiated cases, regardless of whether the responsible parties or incident circumstances are known, must be escalated and dealt with rigorously. All employees must complete code of conduct training upon onboarding and abide by internal policies. In cases of breach, the Group may impose sanctions including termination of employment or referral to judicial authorities depending on the severity of misconduct, upholding the principle of integrity-based business operations.

During the Reporting Period, there were no legal proceedings involving bribery, monopolistic conduct, extortion, fraud or money laundering, nor any corruption related cases implicating the Group or its employees.

WHISTLE-BLOWING MECHANISM AND PROTECTION OF WHISTLE-BLOWER RIGHTS

The Group maintains an open and transparent complaint reporting and investigation mechanism. All stakeholders are encouraged to report suspected or actual corruption and fraud within the Group via designated channels to help safeguard compliant operations.



Reporting channels:
shmocad@nwds.com.cn
+86 21 5094 1888 ext. 0

Upon receipt of a report or complaint, the Internal Audit Department assigns dedicated personnel to handle the case and contacts the whistle-blower promptly to verify facts. For reports submitted under real-name identity, the Internal Audit Department provides formal feedback on investigation outcomes once procedures are completed, fully safeguarding the whistle-blower's right to information.

To protect whistle-blowers' legitimate interests, strict confidentiality is maintained over whistle-blower identities and report content. During investigations, anonymised references are used and access to relevant information is restricted to a limited circle of personnel. Retaliation of any description is firmly prohibited to safeguard the safety and legitimate rights of persons assisting in investigations.

CULTIVATING A BUSINESS ETHICS CULTURE

The Group is committed to fostering a corporate culture of honesty and integrity. Multi-dimensional communication and education initiatives strengthen employees' compliance awareness and professional ethics standards. In daily operations, business ethics messaging is embedded in workflows. Special topic business ethics sessions are delivered alongside regular audits and store audit summary meetings to raise team level compliance sensitivity and ethical awareness.

During the Reporting Period, the Internal Audit Department delivered two dedicated onboarding training sessions for newly appointed functional department heads and store level supervisors, with focus on anti-fraud and anti-corruption awareness raising. All Directors attended a one-hour special topic training session on business ethics and anti-corruption in September 2025. Training covered high risk commercial bribery scenarios, regulatory compliance requirements, conflict of interest management and accountability for integrity-based performance. The session enhanced Directors' and senior management risk awareness in respect of integrity related matters and consolidated the Group's compliance driven governance framework.

FAIR COMPETITION AND INTELLECTUAL PROPERTY PROTECTION

The Group upholds fair competition principles and complies with legislation including the *Anti-Unfair Competition Law of the People's Republic of China* and the *Anti-Monopoly Law of the People's Republic of China*, striving to maintain a healthy market environment. Great importance is attached to intellectual property asset protection. In compliance with the *Trademark Law of the People's Republic of China* and the *Patent Law of the People's Republic of China*, routine maintenance work such as trademark renewals is completed for intangible assets including trademarks and patents. Internal compliance reviews are strengthened to prevent the unauthorised use of third-party trademarks, logos and copyright materials and mitigate infringement related risks at source.

No intellectual property infringement cases arose during the Reporting Period.

2. GREEN COMMITMENT

Guided by green development principles, New World Department Store systematically promotes environmental protection and low carbon transition. Environmental management systems are continuously refined and quantitative targets are established to ensure emission reduction initiatives are delivered. Climate related risks and opportunities are assessed regularly and decarbonisation roadmaps are planned. Energy saving, emission reduction and circular economy practices are embedded across store operations, supply chain collaboration and office-based workflows, underpinned by the Group's commitment to responsible green operations.

2.1 ENVIRONMENTAL MANAGEMENT

Guided by SV2030+, New World Department Store maintains a structured environmental management system. Standardised data maintenance, monitoring and review workflows track delivery of environmental commitments to drive targeted improvement and advance green operations.

Formulating green policies and guidelines

1

- Our sustainability policies and guidelines to scientifically manage key environmental issues including energy usage, greenhouse gas ("GHG") emissions, waste management, green office and procurement.

Setting environmental baseline and targets

2

- Using FY2019 as a baseline, we have established new environmental targets focused on energy and carbon emission management. By FY2030, we aim to achieve a 22% reduction in energy intensity in MWh/m² and a 42% reduction in greenhouse gas emission intensity² in tCO₂e/m² compared to the baseline year. In addition, we plan to continuously reduce the intensity of water use and emissions (including wastewater, exhaust gas, and waste). We will dynamically review our target framework and steadily advance the realization of our SV2030+ by setting phased objectives aligned with our long-term sustainability strategy.

Collecting environmental data

3

- Precise environmental data forms the foundation of effective management. We utilize an energy management system to achieve comprehensive data tracking across all operations, recording real-time energy, water, and material consumption metrics at every branch and office. This infrastructure provides critical data support for both developing environmental improvement initiatives and evaluating their effectiveness.

Implementing green measures

4

- We implement real-time energy consumption monitoring to optimise daily operational workflows, while continuously enhancing energy efficient building service systems and equipment. Furthermore, we deepen collaborative engagement with tenants to drive the effective implementation of green initiatives across the entire value chain.

Regular monitoring and review

5

- We maintain vigilant oversight of evolving environmental policies and industry trends, conducting regular reviews and updates to our sustainability policies and guidelines. Furthermore, we have engaged an independent third party to provide assurance for this Report, ensuring data credibility and driving continuous improvement in our environmental management practices. For details, please refer to the "Assurance Statement" section.

Communicating the commitment to stakeholders

6

- We are committed to advancing sustainability in collaboration with all stakeholders. Through established engagement mechanisms, we jointly foster a green retail ecosystem.

Green Management Process of New World Department Store

During the Reporting Period, NWDS did not have any violation in the environmental aspect.

² Greenhouse gas emissions are reported using Scope 1 and Scope 2 emissions as the statistical boundary.

2.2 ADDRESSING CLIMATE CHANGE

Guided by SV2030+ and anchored in the “Future-Fit Places” pillar with the strategic objective of “Developing Future-Fit Retail Spaces”, the Group continuously builds climate resilience by strengthening capabilities for climate risk identification, management and adaptation, and steadily delivers green transition objectives amid evolving climate conditions to support long-term sustainable business development.

Climate Change Governance

Aligned with HKEX climate disclosure requirements, climate governance is fully embedded within the Group’s overarching governance framework. As the highest-level decision-making body, the Board of Directors oversees formulation and delivery of climate strategy and ensures consistency with ESG management strategies. Climate change related management forms an important topic within the Group’s overall sustainability governance architecture. Within this framework, a closed loop mechanism covering identification, assessment and response is implemented. Climate related risks and opportunities are systematically mapped for their potential business operational impacts, response priorities are defined and climate considerations are integrated into day-to-day risk control workflows, establishing end-to-end management workflows for monitoring, early warning and response. To strengthen target orientation, quantitative climate related metrics and phased targets are defined, updated and disclosed on a regular basis to drive delivery of climate governance initiatives based on actual operation. Remuneration of Directors is not currently linked to dedicated climate related performance metrics. The Group will continue to assess industry practice and business development circumstances and explore feasible pathways for incorporating climate performance considerations into remuneration frameworks in due course.

Climate Change Strategy

Drawing on industry trends and corporate positioning, New World Department Store adopts forward-looking climate response strategies. Climate related considerations are embedded in long-term strategic planning. Impacts on supply chains, energy costs and consumer preferences are evaluated to inform major business decisions. Opportunities for low carbon transition are proactively captured through increased investment in energy saving equipment upgrades, intelligent energy management systems and green supply chain initiatives to build a more climate resilient retail model and advance high-quality sustainable development outcomes.

Climate-Related Risks and Opportunities

Considering business model characteristics and industry practice, the Group references international frameworks including IFRS S2 Climate Related Disclosures to systematically identify climate related risks and opportunities and refine risk response measures.

CLIMATE SCENARIOS

To understand potential impacts of climate change on business, strategy and financial performance, climate scenario analysis methodologies are applied to conduct forward-looking assessment of physical climate risks.

- Scope:** Assessment covers 23 core department store and shopping mall assets and office premises located in Beijing, Shanghai, Wuhan, Chongqing, Zhengzhou, Changsha, Shenyang, Tianjin, Mianyang, Nanjing, Yantai and Hong Kong.
- Time horizons:**
 - Short-term: 2030, aligned with the Group’s GHG reduction target year.
 - Medium-term: 2050, aligned with objectives under the Paris Agreement.
 - Long-term: 2080 and beyond, this extended timeframe exceeds the Group’s GHG reduction targets, Paris Agreement goals and China’s 2060 carbon neutrality commitment.
- Risk categories:** Seven acute physical risks (fluvial flooding, pluvial flooding, storm surge, extreme precipitation, storms, wildfire, heatwave) and two chronic physical risks (drought, heat stress) are identified and assessed.
- Climate scenarios:** Intergovernmental Panel on Climate Change (IPCC) Shared Socio-economic Pathways are adopted. Two scenarios, low emission SSP1-2.6 and high emission SSP5-8.5, are analysed across short, medium and long-term time horizons.

Physical Risk Assessment Scenarios	Low emission scenario	High emission scenario
Scenario category	IPCC SSP 1-2.6	IPCC SSP 5-8.5
Scenario description	Global transition towards sustainable development pathways, accelerated deployment of renewable energy technologies and gradual phase down of fossil fuel use, promoting socio environmental co evolution. Under this scenario, the best estimate global mean surface temperature rise for 2081-2100 versus the 1850-1900 baseline is 1.8 °C, keeping global warming well below 2 °C. Physical environmental impacts persist but are comparatively moderate versus higher emission pathways.	Business as usual fossil fuel centric development without effective climate policy constraints, driving rising energy demand and growing GHG emissions throughout the century. The best estimate projected global mean surface temperature rise for 2081-2100 is approximately 4.4 °C (range 3.3 °C-5.7 °C), materially diverging from Paris Agreement temperature control objectives. Under this high emission pathway, global average temperature shifts, rainfall patterns and sea-level changes produce severe, widespread physical environmental impacts; extreme weather events increase in frequency and intensity.

Climate-related physical risk scenarios

- **Assessment model:** Based on an ensemble of multiple climate models from CMIP6, this model calculates the changes in various hazard indicators from the historical baseline period to future time periods. Through quantile transformation, it maps the global magnitude of change to a standardized score ranging from 0 to 10, enabling comparability of risks across different time periods and locations.

Parameter	Climate Model Indicators	
Acute physical risks	Fluvial flood	Fluvial flood hazard rating
		Fluvial flood return period
	Pluvial flood	Pluvial flood hazard rating
		Pluvial flood return period
	Storm surge	Storm surge hazard rating
		Storm surge return period
	Extreme precipitation	Wettest-month precipitation change (mm)
		1-day extreme precipitation change (mm)
	Windstorm	10-year / 50-year / 100-year return-period wind-speed (m/s)
		99th-percentile wind-speed (m/s)
Chronic physical risks	Wildfire	Fire Weather Index (FWI > 50 / FWI > 21.3) (days)
	Heat wave	Annual heatwave days (days)
		Annual heatwave frequency (events)
	Drought	Drought aridity index (precipitation / potential evapotranspiration)
		Annual-minimum Standardised Precipitation-Evapotranspiration Index (SPEI)
	Heat stress	Annual number of days where Wet-Bulb Globe Temperature (WBGT) exceeds 32 °C (days)

Climate model parameters and indicators

Sustainability Report / 2. Green Commitment

PHYSICAL RISKS

Following assessment of site-level individual risk outcomes, weighting is applied based on relative asset values to generate aggregated physical risk inventories for Mainland China and Hong Kong, reflecting climate-change-related potential impacts across the Group's asset portfolio.

Risk Category			Location	SSP1-2.6			SSP5-8.5		
				2030	2050	2080	2030	2050	2080
Acute physical risks	Fluvial flood and pluvial flood ³	Mainland China	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant	
		Hong Kong	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant	
	Storm surge	Mainland China	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant	
		Hong Kong	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant	
	Extreme precipitation	Mainland China	Major	Major	Major	Major	Major	Extreme	
		Hong Kong	Major	Major	Major	Major	Major	Extreme	
	Windstorm	Mainland China	Minor	Minor	Minor	Minor	Minor	Minor	
		Hong Kong	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	
	Wildfire	Mainland China	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant	Minor	
		Hong Kong	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	
	Heat wave	Mainland China	Moderate	Moderate	Moderate	Moderate	High	Major	
		Hong Kong	High	Major	Major	High	Extreme	Extreme	
	Chronic physical risks	Drought	Mainland China	Moderate	Moderate	Moderate	Moderate	High	High
			Hong Kong	Moderate	Moderate	Moderate	Moderate	Moderate	Major
Heat stress		Mainland China	Moderate	Moderate	Moderate	Moderate	Moderate	High	
		Hong Kong	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	
Risk Level	Extreme	Major	High	Moderate	Minor	Insignificant			

Physical risk assessment results

³ Fluvial flood and pluvial flood were independently assessed, but results were the same, i.e. Insignificant across all Scenarios and Time Horizons, and hence grouped together in the summary findings.

Across our operational footprint, extreme precipitation and heat waves represent the most material physical climate risks for the Group. Urban water logging triggered by extreme precipitation may damage store site facilities, flood basements and car parks, disrupt business continuity, depress operating revenue and generate additional repair costs. More frequent heat waves driven by climate change increase cooling system demand and push up energy related expenditure.

Climate adaptation considerations are progressively integrated into strategy and day-to-day operations across capital-project engineering, facility retrofit and emergency response workflows to strengthen store-site climate resilience capabilities. Geographically, coastal cities including Shanghai face typhoon related hazards requiring safeguards against wind and rain induced structural-and-outdoor-equipment damage. Inland cities such as Wuhan, Zhengzhou and Chongqing are prioritised for mitigation against urban water logging risk from intense rainfall events.

Stores implement comprehensive mitigation measures to enhance climate resilience:

- **Infrastructure and drainage capacity enhancement:** Drainage assets including sump and drainage pumps are inspected and maintained to guarantee unobstructed drainage. Engineering project planning incorporates pre-emptive retrofitting for location specific hazard profiles. Roof and window structural integrity is verified; light fittings, signage and outdoor fixtures are secured to mitigate extreme weather-related physical damage risks.
- **Emergency management and response mechanisms:** Stores implement the Crisis Notification and Handling System for typhoon, heavy rain and flood-related contingencies. Typhoon alert response workflows are activated; sandbags, torches and other emergency supply kits are prepositioned. Regular emergency drills are held to improve staff agility and resilience against adverse-weather events.
- **Energy management and energy-saving optimisation:** To counter higher cooling demand-driven energy consumption growth amid rising ambient temperatures and heatwaves, air conditioning set points are strictly managed. Intelligent energy management systems optimise cooling-system operation profiles, balancing customer and employee comfort while mitigating energy-consumption growth.

During the Reporting Period, the Group maintained property insurance cover as robust financial protection against natural hazard related risks. No natural disaster related insurance claims were submitted; such events did not generate material impacts on the Group's financial position, operating results or cash flows. Pre-emptive risk prevention work was conducted for extreme weather scenarios, with approximately RMB 240,000 invested in security-related supplies, fire safety materials and emergency response stockpiles. The Group will continue monitoring physical risks stemming from climate change and their potential financial implications, refine risk response mechanisms and maintain effective oversight of extreme weather-related events in future.

Sustainability Report / 2. Green Commitment

TRANSITION RISKS

Climate change related risks, opportunities and corresponding mitigation measures identified during the Reporting Period are summarised below, supporting further refinement of climate risk management strategies.

Risk category	Risk description	Potential impact	Measures
Policy, Law, and Regulations	Failure to reduce the impact of high carbon intensity business operations, products, and services, and failure to meet regulatory carbon reduction standards/regulations.	May face fines	New World Department Store is actively transitioning towards low-carbon development, reducing carbon emissions through the installation of practical lighting systems, central air conditioning monitoring systems, and more.
	Failure to fulfil more stringent disclosure requirements.	May face fines	While implementing energy-saving and emission reduction measures, we also actively calculate our carbon emissions and disclose carbon emission data.
Technology Risk	Replacing existing technology and facilities may result in low customer acceptance, leading to a decrease in the number of customers and revenue.	Revenue decreased	New World Department Store has upgraded multiple customer digital services to provide customers with better quality services.
Market changes	Online retailing is gradually substituting offline retailing business.	Revenue decreased	Innovate shopping experience and gradually transform towards online.
	Increase tenant demand for energy efficiency and data transparency.	Revenue decreased	Develop the Mechanical and Electrical Design Standards Policy improve energy efficiency, and improve transparency.

CLIMATE-RELATED OPPORTUNITIES

While addressing climate change driven risks and challenges, the Group proactively identifies associated opportunities, optimises operating strategies, upgrades strategic positioning and captures market advantages created by green development trends.

Opportunity category	Opportunity details	Opportunity description
Energy efficiency improvement	Improve building energy efficiency.	Improving the energy efficiency of buildings can save energy usage, thereby reducing business operating costs.
Investor preference shift	Investors are increasingly inclined to invest in companies undergoing low-carbon transformation.	By low-carbon transformation and development, we aim to reduce our own carbon emissions and attract more investors.

Climate Risk Management

Climate risk management is fully embedded within the Group's enterprise-wide risk management framework, drawing insights from scenario analysis outputs. "Climate change resilience and adaptation" is formalised as a regular risk topic with defined risk thresholds to establish risk response prioritisation. Resilience building measures are emphasised across response strategies. Existing operational scenario-based response mechanisms are refined, cross departmental emergency response workflows are strengthened, facility protection standards and inventory preparation protocols are improved, and overall hazard mitigation capabilities are enhanced. Risk registers and response strategies are updated dynamically to lift overall corporate resilience amid climate volatility and safeguard business continuity.

Metrics and Targets

The Group has established medium to long-term carbon reduction targets, aiming to achieve a 22% reduction in energy consumption intensity (MWh/m²) compared to the base year, and a 42% reduction in greenhouse gas (GHG) emissions intensity⁴ (Scope 1 and Scope 2, in tCO₂e/m²) compared to the base year by fiscal year 2030. We are continuously implementing various energy saving and carbon reduction measures to drive the achievement of these targets.

During the Reporting Period, the Group conducted a full value chain GHG inventory in accordance with the Greenhouse Gas Protocol standards, continuously optimizing its carbon emission accounting mechanisms and enhancing data completeness and statistical accuracy. In this fiscal year, the Group's GHG emissions intensity (Scope 1 and Scope 2) reached 0.05 tCO₂e/m², representing a cumulative reduction of approximately 43.8% compared to the base year – surpassing the 2030 fiscal year reduction target ahead of schedule. Total GHG emissions (Scope 1 and Scope 2) amounted to 49,113 tCO₂e, of which Scope 1 emissions were 2,532 tCO₂e and Scope 2 emissions were 46,581 tCO₂e. Scope 3 GHG emissions totaled 79,962 tCO₂e, with purchased goods and services, fuel and energy-related activities, and downstream leased assets being the primary emission sources.

The Group will continue to intensify its efforts in green procurement, energy efficient operations, and tenant collaboration on carbon reduction, while dynamically reviewing and adjusting its interim targets based on actual emission reduction progress, to ensure steady progress toward its long-term emission reduction goals.

⁴ The scope covered by the greenhouse gas targets includes all stores and the Shanghai office.

2.3 GREEN OPERATIONS

Green principles are embedded throughout day-to-day business workflows. Key environmental domains including energy use, water and wastewater management, waste management and waste gas emissions are managed systematically, and relevant management practices are refined to deepen green operational performance.

Energy Management

A refined energy control system is maintained and enhanced, and energy saving and loss reduction is treated as a core operational efficiency priority. Balancing occupant comfort requirements and waste elimination, institutional measures and digital tools drive transition towards resource efficient operations. A vertical accountability mechanism is established with store general managers as primary responsible persons and Administration and Engineering Departments as execution core functions to ensure accountability is assigned to individuals and roles. Closed loop inspection and remedial action cycles are implemented via headquarters level special inspection feedback to build a green, low carbon retail operating environment.

Full-scenario refined management and control

- For the four core systems of lighting, air conditioning, elevators and energy saving facilities, we have established differentiated operating standards by zone and by time period. For example, we strictly define the temperature thresholds for air conditioning start and stop and the operating logic of the fresh air system, while implementing lights off when leaving or sensor based controls for public area lighting to reduce unnecessary energy consumption at the source.

Data-driven decision-making mechanism

- We have established a systematic process for energy consumption data collection and analysis. By mapping out power supply routes and circuit conditions, we use the data acquisition system to record key indicators and conduct regular year-on-year and month-on-month analyses. Once abnormal fluctuations in energy consumption are detected, we immediately initiate source tracing, investigation, and corrective actions to ensure that energy use remains transparent and controllable.

Cross-departmental collaboration and full employee participation

- Through regular special meetings, strengthening cross-departmental collaborative emergency response, and enhancing green advocacy for tenants and suppliers, we work together to eliminate energy waste in business operations.

Equipment full lifecycle maintenance

- We place great emphasis on the impact of equipment operating efficiency on energy consumption and have established a stringent maintenance plan. From monthly cleaning of air conditioning filters to chemical cleaning of cooling towers, and regular lubrication and maintenance of elevator systems, we ensure that all equipment remains at optimal energy efficiency through standardized maintenance procedures, thereby extending the service life of our assets.

Energy Saving and Emission Reduction Initiatives

In respect of green construction and construction management workflows, compliance is maintained with regulatory documents including the *Code for Indoor Environmental Pollution Control of Civil Building Engineering*, *Opinions on Strengthening Indoor Environmental Quality Control for Building Engineering Projects* and *Notice on Implementing Ten Mandatory National Standards Limiting Hazardous Substance Content in Interior Decoration and Renovation Materials*. Preference is given to green building materials and green construction standards are fully enforced to control environmental performance of construction materials at source and deliver healthy, safe commercial spaces for customers and employees.



Inorganic water-based coatings and polyester paints were selected, with application conducted through high-pressure airless spray technology.

On-site material sampling was conducted to test formaldehyde, benzene, and other TVOC content, while indoor air quality testing was performed during the project acceptance phase.

No on-site cutting of raw materials such as timber, stone and ceramic tiles, are permitted to minimize dust and noise pollution in the surrounding environment.

Green construction measures

WATER RESOURCE AND WASTEWATER MANAGEMENT

Water resource management is embedded in compliance-driven operations, complying with the *Water Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China* and local regulatory requirements. End-to-end water saving mechanisms are implemented for office and mall-site scenarios, guided by the *Sustainable Office Guidelines*. Source reduction, equipment upgrades and routine inspection programmes are deployed to improve water use efficiency and water supply stability. All operating sites draw water from municipal water supply networks with no water access restrictions or supply interruption events, supporting business continuity and ecological sustainability objectives.

Water quality compliance testing

Strictly implement the drinking water quality testing system and retain test reports to ensure end-use water safety.

Wastewater facility operation and maintenance

Establish a grease trap cleaning and septic tank inspection mechanism to ensure no odor spread, no overflow, and no blockages; regularly inspect the regulation tank grille to ensure no waste accumulation and that the main and backup pumps are operating normally.

Drainage system maintenance

Regularly test the start-stop functions of basement sump pits and sewage pumps to ensure that the main and backup pumps switch properly and that the control panels are in automatic mode; keep outdoor stormwater and sewage pipes unobstructed to prevent water pooling or backflow.

Leak prevention and protection

Install water retaining curbs and waterproof thresholds in key areas such as substation and distribution rooms and electrical shafts to prevent water pipe crossings or leaks from causing electrical accidents; keep rooftop rainwater inlets intact and functional, and clear debris in a timely manner.

Catering wastewater management

- For food and beverage tenants, focus on inspecting the cleaning of fume exhaust facilities and grease trap measures to prevent oil residue from clogging pipes, ensuring that the drainage system meets environmental and operational requirements.

Water Resource Management Initiatives

WASTE MANAGEMENT

Compliant with the *Solid Waste Pollution Environmental Prevention and Control Law of the People's Republic of China* and domestic waste sorting guidance documents, an end-to-end waste management system is maintained. Refined classification, collection and disposal workflows ensure all waste streams are handled in compliance with applicable rules; qualified third-party service providers are engaged to maximise resource recovery rates for recyclable materials.

Waste streams are managed by category according to material properties with clear disposal pathways defined. Hazardous waste such as spent printer ink cartridges generated from office activities is collected and stored separately and disposed of by specialised agencies. Non-hazardous waste including office wastepaper and food waste from catering tenants is cleared and disposed of via designated channels.

To mitigate construction activity related environmental impacts, the *Project Construction Management* policy is implemented. Requirements are imposed on construction contractors for classified collection and compliant removal of construction and domestic waste and for dust pollution control during construction phases.

Plastics	- Self-owned supermarkets use reusable easily degradable eco-friendly plastic bags. - Shopping mall tenants shall adopt degradable materials for disposable tableware.
Paper	- Daily office work fully implements online workflows to reduce paper usage. - Realized paperless operations through digital membership cards electronic invoices and receipts and online membership marketing.
Packaging Materials	- Avoid or reduce disposable items and plastic packaging simplify product packaging and adopt eco-friendly packaging materials. - Prioritize suppliers that practice the concept of sustainable development.

Waste management initiatives

WASTE GAS MANAGEMENT

The Group attaches importance to ambient air quality protection and implements refined categorised control for operational waste gas streams, complying with the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* and local environmental protection regulations.

For tail pipe emissions (NO_x, SO_x, particulate matter) originating from Group owned vehicles, a waste gas emission management regime is maintained. Vehicle scheduling is optimised and green travel initiatives are promoted to mitigate mobile source emission related environmental impacts at source. For in premises tenants, environmental compliance obligations are formalised within lease contract clauses and supported by frequent on site inspections and supervision to ensure cooking fume disposal for catering tenants meets environmental regulatory standards and collectively safeguard local commercial and community environments.

3. SERVICE AT THE CORE

NWDS remains customer-centric, safeguarding the legitimate rights and interests of consumers in all respects through a well-developed service system, rigorous data protection and responsible, innovative marketing practices, creating a safe and convenient consumption environment.

3.1 CUSTOMER RIGHTS

RESPONSE TO CUSTOMER NEEDS

The Group continues to improve its customer service and complaint handling system, building a multi-touchpoint, highly efficient closed-loop management mechanism to fully listen to the voice of customers, drive the closed-loop resolution of issues, and continuously enhance the overall consumption experience. We have established online and offline customer feedback channels, through which customers may provide comments and complaints via store service desks or the customer service hotlines of stores or the headquarters.



Respond to customer complaints within three working days of receipt.



Branch outlets are to follow up on each case, drive resolution, and ensure timely closure.



Consolidate all complaint records at head office, where the responsible department shall conduct root-cause analysis and implement corrective actions.

Complaint Handling Process

Meanwhile, we conduct customer satisfaction surveys focusing on themes such as brand enhancement and infrastructure improvement, and use the survey results as a reference for tenant recruitment and business mix optimisation, driving continuous improvement of the service experience.

PRIVACY PROTECTION AND DATA SECURITY

We have formulated the *Personal Information Protection Policy*, setting out seven core principles of “consistency of rights and responsibilities, clarity of purpose, consent by choice, data minimisation, security assurance, data subject participation, and openness and transparency”. With “obtaining individuals’ consent” as the compliance basis for personal information processing, we have established a permission control system covering the entire life cycle of information collection, storage and use. During the Reporting Period, we introduced the *Regulation on the Use of AI in Business Operations*, strictly prohibiting the submission of the Group’s sensitive and confidential data to generative AI models on open internet platforms, and continuously strengthening data security control.

The Group has established a dedicated management architecture, coordinated by the Digital Centre with four specialised functional teams underneath, forming a collaborative protection mechanism covering the entire chain of terminals, systems, networks and data.

User Privacy Team	System Security Team	Network Security Team	Data Security Team
Monitors and mitigates privacy breach risks to ensure compliance of user data.	Monitors system operation status, rapidly responds to anomalies, and ensures business stability.	Reinforces internal network protection, deploys perimeter security policies, and defends against malicious attacks from the Internet and external networks.	Maintains the integrity, confidentiality, and availability of data.

Information Management Teams

NWDS strictly complies with the ISO 27001 Information Security Management System standard, systematically implementing information security technologies around the four dimensions of protection hardening, intelligent monitoring, access control, and backup and recovery, continuously enhancing its overall defence capability.

Protection Hardening Upgrades

Deployed enterprise-grade antivirus software, refined firewall management, strengthened external network interception and internal network isolation, and established a foundational boundary security defence framework.

Intelligent Monitoring System

Established a proprietary 7×24-hour business system anomaly early-warning system that monitors real-time server key metrics, automatically pushes alerts upon anomaly detection, and provides guidance for rapid fault localisation and remediation. Deployed a security situation awareness system to dynamically monitor security information and network behaviours, enhancing proactive detection capabilities.

Access Control Enhancement

Deployed a bastion host mechanism to provide operations and maintenance personnel with a unified, secure, and auditable remote access gateway, enabling centralised access control and security auditing, and enforcing the principle of least privilege and compliance auditing.

Established a video-recording traceability mechanism for third-party vendor access to rigorously govern external access behaviours.

Backup System Optimisation

Upgraded, hardened, and encrypted the storage of all device passwords, reinforcing the security defence line for device identity authentication.

Performed independent daily backups of core data to ensure data integrity and traceability.

Conducted database backup and recovery drills, covering all critical production system servers and databases during the year, ensuring data recoverability and business continuity.

Information Security Technology Optimisation

Case: Database Backup and Recovery Drill

During the Reporting Period, we conducted a dedicated disaster recovery drill on the core Oracle EBS database. We formed a dedicated team together with business departments and partner suppliers, and completed the full-process recovery verification of NBU full-machine backup and RMAN database backup in a standardised testing environment, comprehensively validating the effectiveness of the backup and the feasibility of the plan, and effectively guarding against the risk of data loss.

We engage third-party institutions to conduct independent audits to ensure that the management system is compliant and effective. In addition, we operate a regular internal audit model, conducting multi-dimensional comprehensive reviews of each branch store on a monthly basis, achieving full coverage of all stores throughout the year. For various issues identified in the audits, we issue rectification requirements through formal reports and email notifications, and follow up on their implementation to ensure closed-loop management.

During the Reporting Period, no substantiated incidents of privacy violation or data security breach occurred at NWDS.

RESPONSIBLE MARKETING

NWDS consistently upholds the concept of responsible marketing, strictly complying with the *Advertising Law of the People's Republic of China* and other relevant laws and regulations, ensuring that all marketing and promotional activities are lawful, compliant, honest and transparent. For new media communication channels, we have formulated and implemented the *NWDS New Media Regulation Requirements* to strengthen the review and management of external publicity content, ensuring that information is truthful and accurate, eliminating false or exaggerated publicity, and effectively safeguarding the legitimate rights and interests of consumers.



Key Initiatives of Responsible Marketing

During the Reporting Period, NWDS did not experience any incidents of non-compliance with laws and regulations relating to product and service information and labelling, or marketing communications.

3.2 SERVICE QUALITY

PRODUCT AND SERVICE RESPONSIBILITY

Quality is the foundation of an enterprise and the core guarantee for enhancing customers’ consumption experience. Focusing on key business segments including brand introduction, product procurement and terminal sales, NWDS has established a product quality control system covering the entire chain, achieving traceability and controllability at each stage.

In terms of brand introduction, the Group implements stringent screening of prospective brands on a monthly basis through the refined operation of a regular brand resource pool, ensuring reliable quality and diversified choices for customers.

In terms of product procurement and merchandise circulation, the Group operates a systematic management mechanism. Taking catering services as an example, we fully implement product and service quality management around food safety, risk prevention and control, and service upgrading.

Source Prevention

Established food safety management regulations and strictly enforced procurement and sales record-keeping systems, achieving quality control and traceability at the source.

Process Supervision

Conducted regular store inspections and established accountability mechanisms for supplier and employee quality violations, clarifying lines of responsibility and strengthening process controls.

Capacity Building

Organised regular hygiene and safety training for food and beverage tenants, embedding quality requirements into the daily operations of partners to ensure implementation at the execution level.

Risk Response

Established a food safety incident reporting mechanism, complemented by regular inspection and testing protocols, requiring relevant brands with quality issues to implement rectification within specified timeframes.

Service Optimisation

Continued to drive regular inventory turnover, upgrade refrigerated storage equipment, and install additional self-checkout terminals, to enhance food freshness preservation and continuously optimise the end-consumer experience.

Food Quality Management Mechanism

During the Reporting Period, NWDS did not experience any incidents of non-compliance with laws and regulations relating to the health and safety of products and services.

DIVERSIFIED CONSUMPTION EXPERIENCE

NWDS regards the enhancement of customers’ consumption experience as a key orientation of its business operations. Adhering to the core logic of “deep online-offline integration and data-driven precision operations”, we continuously enhance the consumption experience throughout the entire journey by advancing digital capability building and consumption scenario innovation in parallel.

Digital Service Upgrade

Driven by digitalisation, NWDS continues to pursue the dual enhancement of terminal service efficiency and consumption experience. Focusing on the three dimensions of cashier and settlement, customer traffic insight and membership operations, we have systematically deployed intelligent tools and data platforms, accelerating the creation of efficient, convenient and warm new digital consumption scenarios.

Checkout Efficiency Enhancement

We launched a dedicated checkout efficiency enhancement initiative, systematically deploying electronic on-site sell order, counter pre-sale and deposit function modules, and establishing a high-performance backend data support infrastructure to achieve end-to-end checkout efficiency optimisation.

During the Reporting Period, our self-developed electronic receipt system was officially launched, advancing receipt management into a fully digitalised phase, significantly streamlining settlement processes and enhancing customer experience.

Footfall Insights

We completed the iterative upgrade of the footfall monitoring system across all stores, enabling precise and dynamic tracking of store visitor trends. By introducing identification technologies, the Group conducted in-depth analysis of visitor demographics, refined user profiling dimensions, and generated multi-layered footfall analytics data, providing scientific decision-making support for store-level precision marketing and customer tiered management, while continuously optimising the in-store experience.

Footfall Insights

We deepened cross-industry membership benefit collaborations, establishing reciprocal arrangements with multiple partners including UnionPay Quick Pass, Meituan Power Bank, and Lemo, enabling points interchange and continuously enriching membership service scenarios, thereby enhancing the service and attractiveness.

During the Reporting Period, we completed the optimisation and adjustment of membership lifecycle management and upgraded membership points rules, achieving standardised membership governance and continuously unlocking membership value.

Digital Service Upgrade

Case: Lemo Health and Leisure Services

To continuously enrich the membership benefits system and build a diversified health and leisure ecosystem, we partnered with the smart massage service brand Lemo to introduce smart massage services for members. Members can directly redeem Lemo massage chair usage time with their account points, enjoying a professional and comfortable relaxation experience during shopping breaks without additional spending.

Innovative Consumption Scenarios

NWDS proactively seizes the opportunities of consumption upgrading, continuously creating diversified consumption scenarios to respond to consumers’ increasingly refined demand structure. Leveraging its foundation of quality products and services, we continue to expand the boundaries of the consumption experience through multi-channel precision deployment, marketing model innovation and business format iteration and upgrading.

Building the Online Ecosystem

We continue to increase online sales and enrich e-commerce and livestreaming consumption scenarios. Meanwhile, we strengthen in-depth cooperation with commercial partners such as UnionPay to implement preferential programmes including full-reduction discounts and subsidies, boosting online transaction activity.

Case: Regular Livestream Matrix

NWDS continues to deepen cooperation with mainstream local life service platforms such as Douyin and Dianping, positioning livestreaming as the core hub connecting traffic across all domains. We have progressively established a matrix of regular livestream programmes, with stores in different regions creating differentiated livestream services based on local consumption characteristics, including dedicated livestream such as “Wednesday Dining Day” at Beijing Chongwen Store and “Crazy Thursday” at Shanghai Pujian Store.

Through marketing models such as livestreaming commerce and influencer collaboration, these digital service scenarios have enhanced sales conversion efficiency while strengthening market competitiveness, bringing consumers a richer, more diverse and more convenient online shopping experience.



Livestreaming “Crazy Thursday” of Shanghai Pujian Store

Creating Offline Scenarios

On the offline front, we focus on experiential consumption upgrading, building shopping spaces with both participation and immersion for consumers through diverse formats such as themed marketing campaigns, brand pop-ups, popular IP collaborations and cultural activities, breaking the conventional consumption model of traditional offline retail.

Case: “V-Friends Happy Marathon” Campaign

Seven stores in Shanghai jointly launched the “V-Friends Member Festival” campaign, partnering with the renowned media outlet ShanghaiLOOK to introduce the new “City Tour Map” gameplay. Featuring a limited edition of 1,000 exploration maps and a stamp-collection check-in mechanism, the campaign designed the main quest of “Treasure Hunt Across Seven Stores” to guide members to move across stores, forming a closed loop of consumption flows. In addition, leveraging the social media hashtags #ParisSpringVFriendsHappyMarathon# and #CityTourMap#, the campaign generated over 1.05 million exposures, stimulating member-driven dissemination and achieving a virtuous cycle of offline experience and online communication, injecting fresh vitality into linked consumption across the city’s commercial districts.



“V-Friends Happy Marathon” City Tour Map

Case: Shanghai Huaihai Store “Anpanman” Themed Pop-up

Shanghai Huaihai Store introduced an “Anpanman” baking-themed pop-up store, creating an immersive consumption experience through IP-based scenario operations. A 4-metre-tall inflatable figure of the popular character was installed in the store, becoming a visual focal point and a natural photo spot, effectively attracting customers. The product mix covered limited-edition merchandise, lifestyle goods, cute plush toys, mix-and-match apparel and co-branded bakery products. By activating offline traffic with the highly recognisable IP symbol, the pop-up formed a pathway of “visual attraction – in-store interaction – derivative consumption”, providing a replicable lightweight scenario for commercial spaces.



“Anpanman” Themed Pop-up Event Venue

Case: Shanghai Pujian Store “Sansheng Wanwu, Haoshi Fasheng” Third Anniversary Charity Bazaar

Shanghai Pujian Store and Shanghai Chengshan Store, together with Youyou Xinfu Nursing Home, held the “Sansheng Wanwu, Haoshi Fasheng” third anniversary special event. More than 30 brands gathered on-site for internal purchase events, alongside caring activities such as free haircuts, handicraft workshops and jewellery braiding, attracting nearly 400 community seniors to participate.

The event built a “commerce + charity” linked scenario, with “internal purchase + convenience services” proceeding in parallel, stimulating consumption vitality while providing tangible care for neighbouring elderly groups, reflecting the complementary role of retail spaces in serving people’s livelihoods.



“Sansheng Wanwu, Haoshi Fasheng” Event Venue

4. PARTNER COLLABORATION

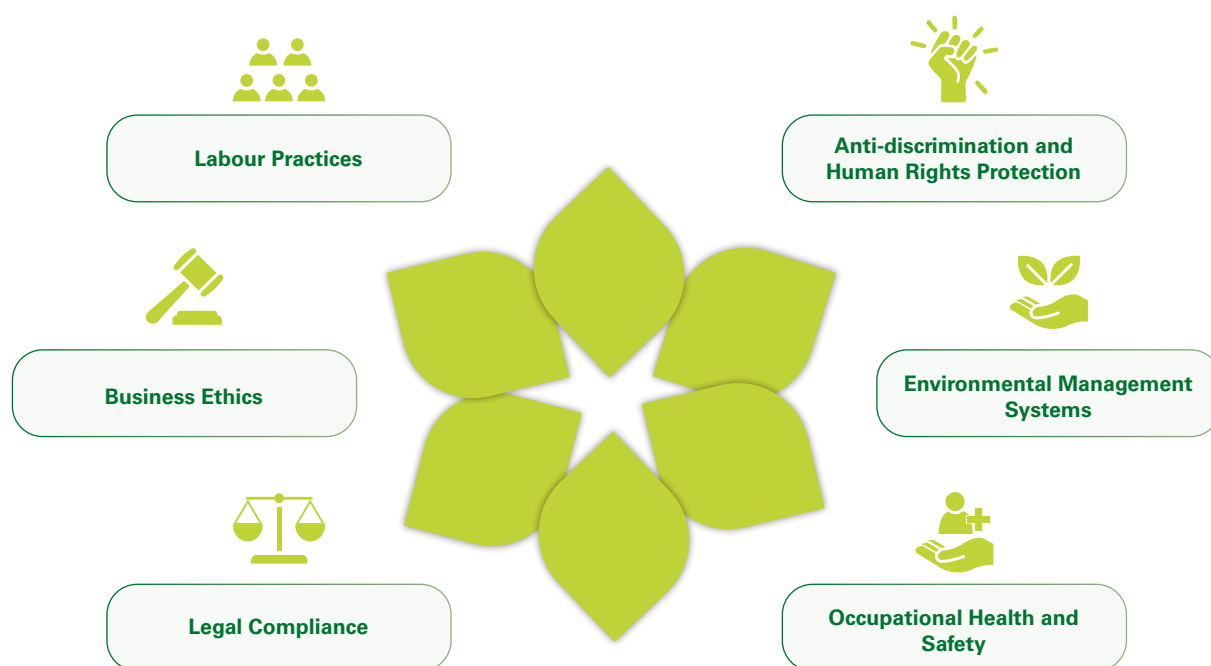
Sustainable operations rely on the collaborative empowerment of industrial chain partners as well as a solid foundation of safety cooperation. The Group works with the supply chain, merchants and tenants to build a cooperative ecosystem of shared responsibility, continuously strengthening safety management requirements and promoting the implementation of responsibility standards and safety norms throughout the entire cooperation process.

4.1 SUPPLY CHAIN MANAGEMENT

The continuity and adaptability of the supply chain constitute a dual guarantee for efficient business operations. The Group integrates ESG standards into its procurement and supplier management mechanisms, and has incorporated supply chain risks into the core risk list of business operations, with a dedicated responsible department overseeing the coordinated control of the entire process.

SUPPLIER AND TENANT MANAGEMENT

We attach great importance to supplier management, having formulated and issued the *Supplier Code of Conduct* to clearly define the basic norms and responsibility baselines that suppliers should observe in business operations. To systematically understand and objectively assess suppliers' capacity to fulfil their responsibilities and their overall ESG performance, we have promoted partner suppliers to complete the *Supplier Sustainable Development Self-Assessment Questionnaire*, with the relevant management requirements covering six core areas, enabling a comprehensive review of suppliers' environmental, social and governance practices.



Core Areas of Supplier Management

Throughout the full life cycle of cooperation with business partners, the Group consistently upholds the principles of integrity and transparency, continuously standardising cooperation processes through institutional development. NWDS has signed the Integrity Agreement with all business partners, clearly defining the boundaries of each party's rights and obligations, building an open and transparent cooperation framework, and laying a solid foundation for long-term and stable shared value creation.

The coordinated advancement of upstream and downstream partners in the industrial chain is the core support for our long-term sustainable development. For partner brands and tenants, we have established a regular interaction mechanism, systematically integrating the concept of sustainable development into the entire process of partners' daily operations, promoting the full implementation of green operation requirements in key scenarios such as store management, merchandise operations and customer services, and progressively building a sustainable development collaborative ecosystem covering the entire industrial chain.

GREEN PROCUREMENT

We have formulated the Environmental Procurement Policy, stipulating that all purchased goods and services must comply with environmental regulations, while encouraging partner suppliers to provide recycled and renewable products and incorporate environmental considerations throughout their services, establishing clear institutional guidance for green procurement.

In addition, the Group has incorporated dedicated environmental clauses into supplier contracts, and ensured that suppliers fully understand and effectively comply with the relevant environmental requirements through safety briefing training, encouraging suppliers to actively adopt green and environmentally friendly solutions.

In the procurement execution stage, we implement a series of environmental procurement measures around the entire life cycle of products and services, empowering the green upgrading of the supply chain through concrete actions.

Reduce Primary Resource Consumption

Minimise the use of raw materials throughout the product or service lifecycle to reduce primary resource consumption.

Prioritise Procurement of Recyclable Items

Give priority to the procurement of reusable and recyclable items, and reduce the purchase of single-use products.

Prefer Products with Low Environmental Impact

Focus on reducing the environmental impact of products and services across their entire lifecycle, with preference given to biodegradable products to minimise their ecological burden.

Strictly Control Product Packaging Design

Exercise strict control over product packaging, avoiding unnecessary packaging design and reducing resource waste caused by excessive packaging.

Enhance Energy Efficiency of Procured Products

Emphasise the energy performance of products, reduce the procurement of high-energy-consumption items, and support overall operational energy efficiency improvement.

Environmental Procurement Measures

4.2 SAFETY MANAGEMENT

We have always regarded safe operations as one of the core priorities of enterprise management, continuously consolidating the safety foundation for business development by building a systematic and standardised safety control system. Focusing on the two key areas of risk prevention and control and emergency response, the Group has established a safety management framework covering all stores, comprehensively safeguarding the stability and sustainability of business operations.

SAFETY MANAGEMENT SYSTEM

We have established a well-developed work safety management system, encompassing multiple internal standard documents such as the Safety Management Policy, Safety Management Reward and Punishment Measures, and Safety Training Work Guidelines. With reference to external legal and regulatory requirements, we systematically revised the existing safety policies, updating and improving the NWDS Safety Inspection and Hazard Determination Standards, further refining the specific norms for organisational structure and division of responsibilities, qualification management of operational personnel, equipment inspection, daily checks, emergency rescue and drills, ensuring that safety management is well-grounded in rules and implementation.

In terms of the management structure, we have formed a work safety management organisation composed of project managers, project technical leads, safety officers, professional engineers and construction operation teams, with the Group's headquarter department providing vertical guidance and resource support for safety management, forming a multi-level responsibility system covering the project frontline, technical support and management assurance.

In addition, we regularly undergo inspections and supervision from municipal construction project safety supervision authorities, effectively ensuring the implementation of work safety norms.

Daily Safety Operations and Maintenance

We continue to improve the daily safety operation and maintenance management mechanism, establishing a systematic safety control system covering all stores in accordance with the Department Store/Supermarket Regular Safety Inspection Policy.

Routine Safety Audits	Night Patrol System	Project Inspections and Follow-up
Conducted regular safety audits and implemented closed-loop rectification of identified hazards, ensuring that each stage of issue identification, tracking, and resolution is effectively executed.	As a key focus of safety prevention, conducted regular inspections of critical areas including storefront facilities, monitoring and alarm systems, checkout counters, storage areas, and emergency exits, with particular attention to security personnel performance and equipment operation during non-business hours. Compiled and dynamically reported Night Patrol Reports to strengthen safety management during non-trading periods.	For renovation and refurbishment projects, organised regional inspections on a quarterly basis, covering document management and facility equipment operation and maintenance across all stores. Combined with a review and rectification mechanism to produce inspection summaries and management recommendations, with subsequent follow-up and supervision to ensure the complete elimination of potential hazards.

Safety Inspection Mechanism

Sustainability Report / 4. Partner Collaboration

NWDS conducted a systematic review of internal and external safety incidents in the previous year, comprehensively assessing the safety management performance of each store. For branch stores where hazards were identified in the screening, we issued dedicated notifications and established a rectification progress tracking mechanism, continuously urging responsible units to implement rectification measures. On this basis, taking into account seasonal risk characteristics and the operational requirements of key facilities, we further clarified dedicated control arrangements, effectively enhancing safety prevention capabilities during critical periods and at key points.

- Cooling Season Safety Control
- Conducted structural, maintenance, and electrical inspections before and after the cooling season, combined with routine patrols, periodic testing, and timely fault repair, to ensure the safe and stable operation of air conditioning and electromechanical equipment and to prevent fire hazards.
- Typhoon and Flood Prevention Control
- During the flood season, implemented preparedness plans for flood prevention materials, carried out special inspections, and maintained routine patrols and early warnings. In the event of emergencies, ensured timely response and reporting to manage flood-season risks.
- Store Signage and Light Box Safety Control
- Standardised the specifications for power distribution, cabling, materials, and construction acceptance of outdoor advertising light boxes and merchant storefront signage, so as to mitigate fire hazards during the construction and operation of signage and light boxes.
- Shopping Environment Safety Control
- Implemented multi-dimensional measures covering escalators, cable trunking, display counter corners, and public floor areas, including upgrades, signage, and patrol reminder requirements, to reduce the risk of customer collisions, trips, and slips within the mall.

In addition, we conduct various types of safety training tailored to the characteristics of job responsibilities, covering topics such as operational and environmental safety, emergency incident response, specialised firefighting capabilities and safe equipment operation, comprehensively enhancing the safety awareness and practical response capabilities of personnel across all positions.

- Operational and Environmental Safety
- Covered training on safety hazard inspection in cleaning areas, standard store opening and closing procedures, mall electricity safety management, and construction safety supervision for store renovations, so as to strengthen risk identification and standardised operational capabilities in daily working environments.
- Emergency Incident Response
- Included training on emergency response to gas incidents, extreme summer weather response, fire emergency handling, and fire alarm control procedures, enhancing employees' rapid response and collaborative handling capabilities in emergency situations.
- Fire Safety Specialised Competence
- Systematically delivered foundational fire safety training and provided specialised operational training for fire control room officers, ensuring professionalism and standardisation in fire system monitoring and emergency operations.
- Equipment Safety Operation
- Conducted specialised training on the safe operation of key equipment, including telephone distribution boxes and LED light boxes, to prevent equipment failures or safety incidents caused by improper handling.

Safety Training Topics

Case: Mianyang Store Dedicated Training on Emergency Incident Response

Mianyang Store organised a dedicated training session on “Emergency Incident Response” for employees in in-store safety management positions. Closely aligned with the potential emergency scenarios in daily store operations, the training systematically covered emergency response procedures, key points of coordination and on-site control norms, ensuring that participants fully mastered the key skills from incident identification to rapid response.

After the training, all participants took practical assessments, with a 100% pass rate among trained personnel upon evaluation. This dedicated training further consolidated the practical response capabilities of the store’s frontline team, providing strong support for safeguarding mall operation order and customer safety.

EMERGENCY RESPONSE SUPPORT MECHANISM

With the *Safety Management Policy* as the overarching framework, the Group has developed the Practical Safety Management Handbook to systematically set out standardised response procedures for various emergency situations. We have prepared dedicated emergency response plans for potential risk scenarios such as electric shock, falls from height and object strikes, fires, mechanical injuries, poisoning, and sudden power outages, clearly defining the division of responsibilities among positions in the emergency organisational structure and specific response measures, ensuring rapid response and orderly handling in the event of emergencies, and effectively safeguarding personnel safety and operational stability.

The Group has established an emergency risk prevention and control system combining “regular drills and periodic inspections”. We organise fire evacuation drills covering all stores every six months, conduct dedicated emergency drills for scenarios such as power outages, floods, anti-terrorism and anti-explosion on an annual basis, and continuously optimise the plans based on drill results, ensuring the emergency mechanism remains dynamically adaptable. We regularly conduct comprehensive inspections of key facilities in the malls, forming a closed-loop management process of “inspection – assessment – rectification – re-inspection”, continuously driving the systematic improvement of safety management standards.

Sudden Power and Water Supply Interruption	Sudden Fire Incident/Accident	Sudden Elevator Equipment Malfunction/Accident	Sudden Flooding Incident
Sudden Gas Accident/Leak Incident	Sudden Intimidation, Extortion and Suicide Incidents	Sudden Robbery, Assault and Hostage-Taking Incidents	Sudden Natural Disaster Weather Events
Crowd Crush Prevention	Personnel Electric Shock	Crowd Crush	Food Poisoning
Sudden Public Health Incident	Storms and Rainstorms	Glass Curtain Wall Shattering	Customers' Sudden Illness, Fainting and Injury

Main Categories of Drills

Case: Fire Evacuation Drills for All Stores

With the foundation of safety management, we adhere to the principle of “safety first, prevention foremost”, regularly organise store emergency drills, conduct comprehensive inspections of various safety facilities in the malls, continuously strengthen all staff's risk prevention capabilities, and build a safe consumption environment.



Emergency Drill Venue

5. PEOPLE AND COMMUNITY

New World Department Store regards employees as an important force driving the stable development of the enterprise. We continuously improve employment management, rights protection, remuneration and welfare, talent development and occupational health and safety mechanisms, to build a fair, respectful, inclusive and safe working environment for employees. During the Reporting Period, we carried out rich employee care and training activities in response to business and staff needs. Employee physical and mental health and safety are safeguarded through daily risk management and health services, so that employees receive support at work, build capabilities and achieve personal growth.

5.1 PEOPLE ORIENTATION

COMPLIANT EMPLOYMENT AND DIVERSITY & INCLUSION

New World Department Store complies with the *Labour Law of the People's Republic of China* and the *Labour Contract Law of the People's Republic of China*. Recruitment decisions are made based on job requirements as well as candidates' competence and experience. Child labour, forced labour and other unlawful employment practices are strictly prohibited.

During the Reporting Period, the Group continued to implement the *Workforce Diversity Policy*. The policy applies to all employees and senior management, prohibiting discrimination, harassment, intimidation or violence on the grounds of gender, age, ethnicity, religious belief, marital or pregnancy status, disability and other factors. All human resource decisions are made according to job criteria, work performance and development potential. Diversity and inclusion training helps deepen staff understanding, and the Board monitors policy implementation.

PROTECTION OF EMPLOYEE RIGHTS AND INTERESTS

The Group complies with the *Provisions on the Prohibition of Child Labour*. On-boarding age verification, file review and employment compliance checks are in place to prevent child labour risks at source. New World Department Store follows the principles of voluntariness, equality and legal employment, and strictly prohibits forced labour. Labour contracts are signed with employees in accordance with law to fully protect their legitimate rights and interests. Where any employment irregularities are identified, rectification will be carried out promptly with rigorous accountability measures to eliminate acts that infringe upon employee rights.

Employee opinions are collected via staff meetings, suggestion email addresses and physical suggestion boxes, with relevant departments following up and responding to feedback. Employee satisfaction surveys are conducted regularly to understand staff views on working conditions and group management arrangements, and reasonable suggestions are incorporated into improvement work.

Trade union organisations are established at stores in accordance with applicable law. Staff representative congresses are held regularly for democratic discussion on matters closely related to employee interests, to safeguard employees' right to know and right to participate. The quarterly internal publication "New Angle" disseminates corporate operational updates, internal system documents and event announcements to facilitate information sharing across different locations and roles.

EMPLOYEE REMUNERATION AND WELFARE

The Group implements the *Interim Measures for Compensation Management* and the *Implementation Details for Performance Appraisal*. Remuneration and incentives are determined according to job responsibilities, work performance and personal contributions. Quarterly objective and key result management cycles are adopted. Employees and appraisers jointly review progress against objectives and adjust work priorities for subsequent periods in response to business changes, so that individual work directions align with organisational goals.

In accordance with the *New World Department Store Welfare Policy*, employee benefits are provided. Apart from statutory social insurance and housing provident fund, benefits include annual leave, marriage leave, parental related leave, compassionate leave, flexible time off arrangements, health check ups and staff cultural activities to respond to employee needs at different life stages.



Welfare System

Sustainability Report / 5. People and Community

Case: Festive celebration activities

As the Lunar New Year approached, Spring Festival couplets and paper cuttings were posted in office areas. Group celebration gatherings, dumpling-making and DIY workshops were held to create a festive atmosphere for staff to celebrate the new year together.



Spring Festival group photo



Spring Festival DIY activity

Over Christmas and the New Year period, office areas were decorated with Santa hats, snow figurines and lighting ornaments. Apple-themed ornaments, drinks and chocolate gifts were prepared for staff. Employees shared festive good wishes in a relaxed working atmosphere to welcome the new year.



New Year office reception desk and gift preparation

Case: Recreational sports activities

New World Department Store organised various sports activities for all employees to adjust work rhythms and enhance communication across departments and roles.

Wuhan Jianshe Store held autumn outdoor team building activities with badminton, rope skipping and tug of war events. Participants enhanced cross role communication through collaboration and competition.



Mianyang Store hosted a fun sports meet for employees and merchant representatives, featuring giant foot steps, marble relay and fun challenge team games. Relaxed competitive events fostered bonds between employees and merchants.

Wuhan Xudong Store ran weekly "All People Table Tennis" activities with professional coaches, providing employees with opportunities for continuous training and exchange.

Case: International Women's Day activities

For International Women's Day, office spaces were decorated with floral elements, and gift boxes with stylised blind box gifts were prepared for female employees as tokens of appreciation for their dedication in various roles. Simple and warm decorations and thoughtful gestures brought festive care into daily work.



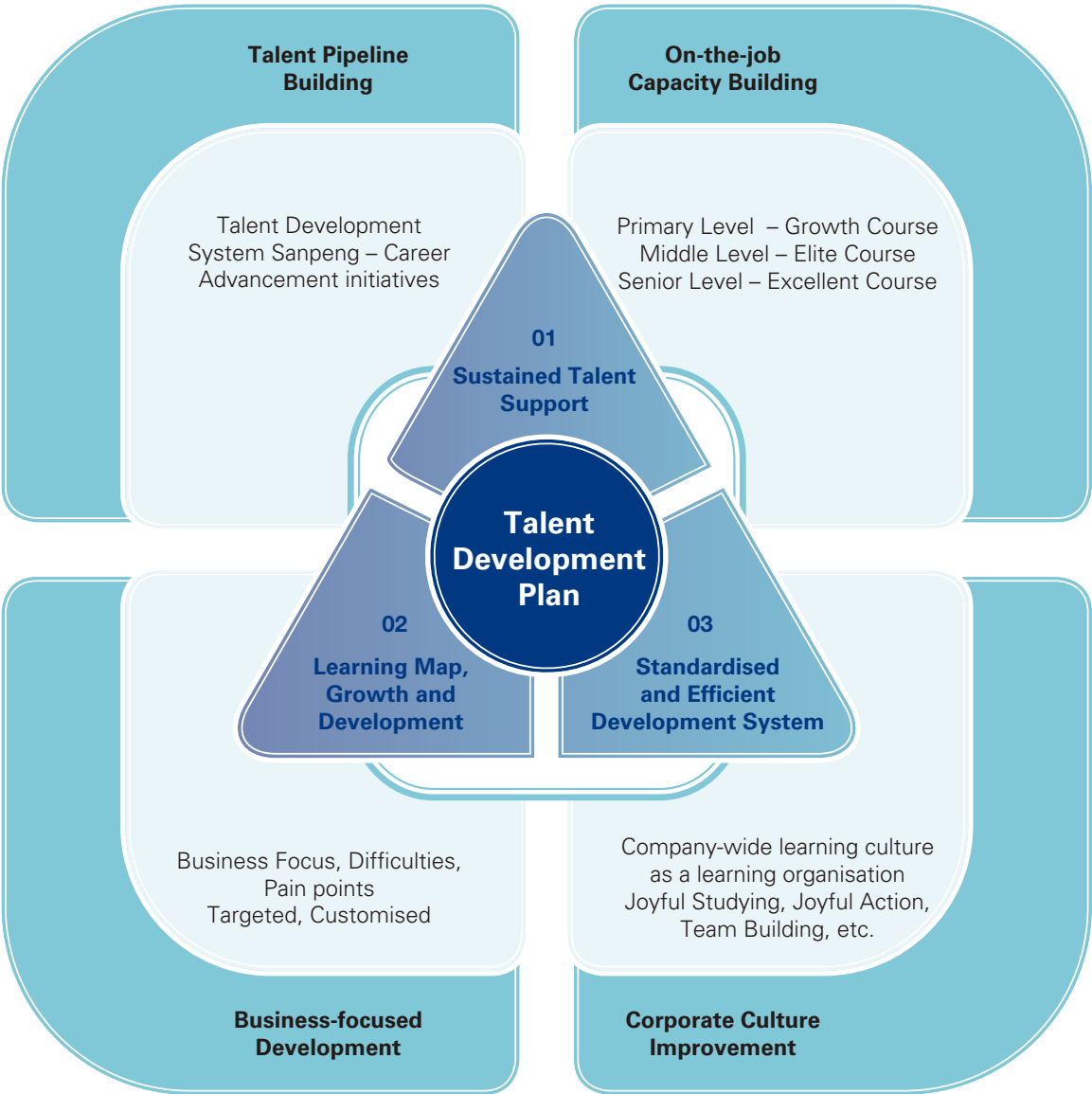
International Women's Day event and gift

TALENT TRAINING AND DEVELOPMENT

New World Department Store maintains an open and transparent employee promotion mechanism. Comprehensive assessments are carried out according to post requirements, performance results, competence requirements and training completion status to provide clear development paths for employees. Training content is designed according to the practical needs of different levels and positions. Employees are encouraged to act as internal lecturers, gradually forming a talent ladder development system combining on the job competence improvement, specialised capability upgrading and general cultural development.

Training courses cover mindset literacy, knowledge and information, as well as practical skills. Growth Classroom, Elite Classroom and Excellence Classroom support capability improvement for staff at different levels. At the same time, online learning platforms are utilised. Learning outcomes are tracked through mandatory courses, credit management, examinations and evaluations, and course offerings are adjusted according to business and post specific requirements.

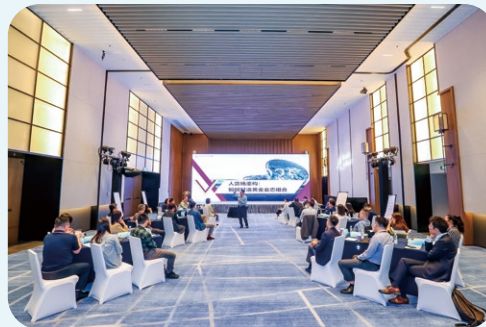
The Group also supports employees in participating in professional certification training and examinations for accounting, fire safety and other disciplines to help employees accumulate professional experience.



Talent training system

Case: Management leadership training

New World Department Store organised management staff “Enterprise Breakthrough” special-topic training. Discussions were held around external environmental changes and corporate response strategies to broaden managers’ business thinking and improve management capabilities. In addition, senior management attended “Innovation Wave” special training, exchanging management practices against retail industry innovation trends and changes to provide direction for business development.



“Enterprise Breakthrough” training

Case: Professional capability enhancement training

The Group delivered multiple professional training sessions tailored to job specific needs, covering administrative and safety skills, EBS financial system operations, JDE leasing system operations, store commercial management workflows, leasing case analysis and risk control. Training integrates system operations, business workflows and risk identification into daily learning to help employees resolve practical workplace problems and continuously improve professional skills.

OCCUPATIONAL HEALTH AND SAFETY

New World Department Store complies with the *Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases* and the *Work Safety Law of the People’s Republic of China*. Safety requirements are embedded in daily store management. Management measures covering safety inspections, hazard identification, staff training, emergency response and health service provision are implemented to reduce occupational health and safety risks in the workplace.

Compliance Construction	Safety Training	Health Services
- Unified standards for safety inspection and hazard identification - Clear store level safety management workflows - Continuous follow-up on hazard rectification	- Fire safety training included in new employee compulsory courses - Position specific special training - Organise regular emergency drills according to store level needs	- Provide personal protective equipment for specific posts - Arrange regular employee health check ups - Carry out occupational disease prevention and health consultation services

Occupational Health and Safety Management System

Case: Traditional Chinese Medicine consultation activity

New World Department Store attaches importance to employee health and brings health consultation services to workplaces. On 18 September 2025, Mianyang Store invited postgraduates from the Guangdong Youth Institute of Traditional Chinese Medicine to provide on-site one-on-one health consultations for employees and merchant staff. In total, 59 employees and 85 merchant personnel participated, amounting to 144 participants. This activity allowed participants to consult daily-life-related health-issues on-site and deepened staff understanding of traditional Chinese-medicine culture while raising health awareness.

5.2 COMMUNITY CONTRIBUTIONS

New World Department Store integrates giving back to society into corporate responsibility practice. Drawing on the close links between stores and local communities, we rally employees and business partners to respond to practical community needs.

Combined with our business strengths, we advance three types of public welfare initiatives, thriving community, child wellbeing and sustainable lifestyle. Corporate resources and staff volunteer power are converted into tangible social value. Relying on the staff volunteer team, we carry out community services. The *New World Department Store Volunteer Team Member Handbook* defines themes, implementation workflows and management requirements to standardise public welfare activities across stores.

During the Reporting Period, the total volunteer service hours provided by employees of NWDS amounted to 315.5 hours.



Community Integration Action Approach

THRIVING COMMUNITY

Case: Community public welfare and rural support initiatives

In January 2026, Chongwen Store responded to an initiative from the Chongwai Street Chamber of Commerce in Beijing's Dongcheng District and took part in the launch ceremony of the "Thousand Household Warm Winter Initiative". Together with chamber of commerce members, the store paid attention to the spring festival living needs of disadvantaged households in the local community and strengthened community ties through local chamber of commerce led support work.

In November 2025, Chengshan Store in Shanghai took part in the 24th Beicai Town Charity Joint Donation Campaign and donated RMB5,000. The donation was transferred by the Beicai Town Government to public welfare bodies for local charity work.

In June 2025, Chongwen Store signed a paired support agreement with Xikou Village, Mingshui Town, Arxan City in Inner Mongolia Autonomous Region. Both sides will strengthen cooperation in industry, employment, education, health care, culture, public welfare and green development fields. Meanwhile, under the "Ten Thousand Enterprises Assist Ten Thousand Villages" initiative, the store established support ties with Jiuhai Village, Qihao Town, Huade County in Inner Mongolia, and donated 200 orange short sleeved cotton T shirts worth RMB12,000 to Huade County to supplement local supplies.

Case: Fundraising for the Tai Po Fire in Hong Kong

In November 2025, following the Tai Po fire in Hong Kong, NWDS launched a fundraising campaign among all employees, raising a total of RMB100,000. After the donations were pooled together, they were channeled through official channels to support the basic living needs of affected residents, including temporary accommodation, food, warm clothing, and daily necessities, as well as to assist in post-disaster reconstruction efforts.

Case: Elderly care series activities

Multiple stores of NWDS jointly carried out elderly care activities. Timed around festivals such as the Double Ninth Festival, staff visited nursing homes and community care centres to deliver gifts and provide free hair cutting, legal consultation, massage and other convenient services. Recreational activities such as environmental cleaning, interactive games and cultural performances accompanied elderly residents, bringing festive care and daily life warmth to senior groups.



Case: Front line worker care activities for urban practitioners

Multiple stores organised care activities targeting urban front line workers according to local conditions and seasonal rhythms, delivering care supplies and convenient services to fire fighters, food delivery riders and other groups.

In January 2026, Pujian Store in Shanghai hosted the “New Vitality of Tangqiao · Enjoy Spring” New Form Employment Friendly Business Circle launch event in Tangqiao Sub district. A public welfare “warm heart market” was set up and certificates were granted to the first batch of “Warm Heart Merchants”. Warm heart gift packages were presented to representatives of new form employment and flexible work groups. In addition, Pujian Store pledged to further upgrade its commercial premises into an “urban living room”, with store service desks and public rest areas open to new form employment groups.



In December 2025, Xudong Store in Wuhan, together with Xudong Community and Freshippo, held a “Warm Winter” volunteer activity for outdoor workers. The community distributed raincoats to outdoor workers, while store volunteers handed over hot dumplings prepared by volunteers to 30 food delivery riders on the Winter Solstice to bring them warmth.

In July 2025, Nanjing Store carried out a “Cool Summer” initiative, delivering care supplies to fire-fighting personnel and front line staff at their work sites and sending summer greetings.

CHILD WELLBEING

Case: “Walk with Love” charity bazaar

Nanjing Store co-operated with Yuanmeng Public Welfare to hold the “Walk with Love” charity bazaar. Teenage children took part in flea-market sales and idle item exchanges under the company of employees and volunteers. Children sorted goods and communicated with customers to complete bazaar transactions. Proceeds from the activity were used to sponsor public welfare projects for elderly people living alone and vulnerable youth groups. The activity allowed children to learn about public welfare through labour and sharing, and enriched practical approaches for community child care and public welfare participation.

Case: One Foundation Blue Action

Upholding the concept of inclusive co-existence in communities, New World Department Store gives full play to the public welfare communication value of commercial space. 2 April 2026 marked the 19th World Autism Awareness Day and the 15th consecutive year for One Foundation’s “Blue Action”. The theme for this year’s campaign was “An inclusive community for autonomous and comfortable lives”. As an advocacy partner, New World Department Store displayed campaign content on store large screens to call on society to pay attention to autistic people of all ages and their family care givers. Public welfare advocacy focus extended beyond autistic children to adult autistic groups and their families, fostering a more accepting community environment.



One Foundation Blue Action promotion

SUSTAINABLE LIFESTYLE

Case: “Green Partner” Plogging Activity

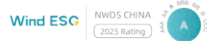
Beijing Qianzi Store held the “Green Partner” plogging activity. Participants set off from the shopping mall and picked up plastic waste along 3-5-kilometre hiking routes. A concurrent public welfare market was organised by the store together with in store brands, offering check in benefits for activities, second hand item replacement and recycled cultural and creative product displays. Participants could exchange plogging records for carbon reduction points, which could be redeemed for shopping vouchers or eco-friendly souvenirs. This multi-format initiative encouraged employees, consumers and brand partners to take part in low carbon practices.



Case: World Clean-Up Day plastic-reduction activity

Jinqiao Store in Shenyang, together with the Shenyang Little Blue Public Welfare Volunteer Team, held a plastic reduction activity for World Clean-Up Day. Employees, volunteers and parent-child-families cleaned up waste outdoors, and also took part in children’s eco-fashion-shows and themed check in activities. The activity improved the surrounding environment and conveyed plastic reduction concepts to the community through parent-child-participation, guiding daily life awareness of plastic pollution risks.

AWARDS, EXTERNAL ADVOCACY AND MEMBERSHIP

Awards		
Issuer	Name	Image
Corporate Governance		
Wind	"A" rating in the Wind ESG Rating	
Hong Kong Commercial Daily, Global Business Press Alliance, Economic Herald	"2025 Listed Companies Excellence ESG Value List" – "ESG Excellence Report Disclosure Company" Award	 
Environmental Protection		
The Environmental Bureau of the Hong Kong Special Administrative Region	"Hong Kong Actions on Climate Change" Carbon Audit Green Organisation "Activity Waste Reduction Commitment" Participating Organisation	
Employee Care		
Zhaopin	"2025 China Best Employer of the Year" – "Shanghai Best Employer" Award	
Mandatory Provident Fund Schemes Authority of the Hong Kong Special Administrative Region	"2024–25 Good MPF Employer" – "Good MPF Employer" Award	

Sustainability Report / Appendix

Awards		
Issuer	Name	Image
Community Services		
Meituan	“2025 Meituan Service Retail Shopping Mall Industry Annual Awards List” Programme – “Influential Brand of the Year” Award	
External Advocacy and Membership		
Proposing Institution	Participation	
World Green Organisation	“Paper Saving Campaign” Participating Organisation	
China Council for International Investment Promotion	Corporate Membership	



CORPORATE GOVERNANCE REPORT

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 and stakeholders of the Company. The Company has complied with all the applicable code provisions set out in the Corporate Governance Code during the year ended 30 June 2026.

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

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted 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 year ended 30 June 2026.

EMPLOYEES' SECURITIES TRANSACTIONS

The Company has 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 year ended 30 June 2026.

BOARD OF DIRECTORS

As at the date of this report, the Board comprises six Executive Directors and five Independent Non-executive Directors as follows:

Name of Directors	Length of Tenure ⁽¹⁾ (Year)	Current Period of Appointment ⁽²⁾	
		From (DD/MM/YYYY)	To (DD/MM/YYYY)
Executive Directors			
Dr. Cheng Kar-shun, Henry (<i>Chairman</i>) ⁽³⁾	<1	09/01/2026	08/01/2029
Ms. Huang Shaomei, Echo (<i>Vice-chairman</i>) ⁽⁴⁾	<1	09/01/2026	08/01/2029
Ms. Woo Yuk-kwan Rebecca (<i>Chief Executive Officer</i>) ⁽⁵⁾	<1	01/04/2026	31/03/2029
Ms. Chiu Wai-han, Jenny	5	27/06/2025	26/06/2028
Mr. Lau Fu-keung	1	27/06/2025	26/06/2028
Mr. Chan Yiu-ho	1	27/06/2025	26/06/2028
Independent Non-executive Directors			
Mr. Cheong Ying-chew, Henry	19	01/07/2022	N/A
Mr. Chan Yiu-tong, Ivan	19	01/07/2022	N/A
Mr. Tong Hang-chan, Peter	19	01/07/2022	N/A
Mr. Yu Chun-fai	19	01/07/2022	N/A
Ms. Ho Pui-yun, Gloria	3	01/05/2023	N/A

CORPORATE GOVERNANCE REPORT

Notes:

- (1) Representing the number of complete years from the date of initial appointment as a Director up to the date of this annual report.
- (2) Referring to the term of appointment under the Executive Directors' current letters of appointment, subject to retirement by rotation in accordance with the Articles of Association and renewable upon expiry. All Independent Non-executive Directors are appointed under letters of appointment with no fixed term and are subject to retirement by rotation in accordance with the Articles of Association. Accordingly, the expiry date of appointment is not applicable to them.
- (3) Appointed as the Chairman and an Executive Director on 9 January 2026.
- (4) Appointed as the Vice-chairman and an Executive Director on 9 January 2026.
- (5) Appointed as an Executive Director and the Chief Executive Officer on 1 April 2026.

The biographical details of the Directors are set out in the section headed "Directors' Profile" on pages 24 to 29 of this annual report. Save as disclosed therein, there is no other relationship (whether financial, business, family or other material/relevant relationships) among members of the Board.

Board refreshment

The Board recognises the importance of orderly board refreshment in ensuring its continued effectiveness and independence, while maintaining an appropriate balance of diversity and continuity. The Board, through the Nomination Committee, will continue to review the structure of the Board regularly and make recommendations to support the sustainable growth of the Group. The Nomination Committee will select appropriate candidates and make recommendations to the Board based on the Company's Board Diversity Policy (the "Board Diversity Policy") and the Nomination Policy (the "Nomination Policy").

During the year and up to the date of this report, the following changes took place in the composition of the Board:

- | | |
|------------------|--|
| 9 January 2026 | – Resignation of Mr. Cheung Fai-yet, Philip as the Chairman and an Executive Director |
| | – Appointment of Dr. Cheng Kar-shun, Henry as the Chairman and an Executive Director |
| | – Appointment of Ms. Huang Shaomei, Echo as the Vice-chairman and an Executive Director |
| 14 February 2026 | – Resignation of Ms. Xie Hui-fang, Mandy as an Executive Director and the Chief Executive Officer |
| 1 April 2026 | – Appointment of Ms. Woo Yuk-kwan Rebecca as an Executive Director and the Chief Executive Officer |

In view of the revised Listing Rules and Corporate Governance Code, including the phased implementation of the tenure cap applicable to Independent Non-executive Directors, the Company has adopted a phased approach to board renewal to facilitate an orderly transition while maintaining board effectiveness and continuity.



Corporate culture

The Board sets the tone and shapes the corporate culture of the Company, which is underpinned by the core values of innovation, foresight, integrity, prudence and respect across all levels of the Group. The Board plays a leading role in defining the purpose, values and strategic direction of the Group and in fostering a culture that is creativity, foresight and efficiency focused.

The Company's culture is developed and reflected consistently in the operating practices of the Group, workplace policies and practices as well as relationship with stakeholders, including but not limited to the following:

- Anti-Fraud and Counter-Corruption Policy
- Code of Conduct for Employees
- Corporate Culture Working Guidelines
- Memorandum of Corporate Governance Matters
- Whistleblowing Policy
- Remuneration Policy for Directors and Employees
- Shareholders' Communication Policy

Board process

The Board regulates the directions of the Group, monitors its overall performance and maintains effective supervision over the management running the Group through relevant committees of the Board in a sound and efficient manner. The executive committee of the Board (the "Executive Committee") and the management are delegated the authority and responsibilities by the Board for the routine management and operation of the Company.

The Board holds at least four regular meetings a year at approximately quarterly intervals and meets at other times as and when required to review business strategies and financial and operating performance. During the year ended 30 June 2026, the Company held six regular meetings of the Board and the Independent Non-executive Directors had a meeting with the Chairman once without the presence of other Directors.

CORPORATE GOVERNANCE REPORT

All Directors are subject to retirement by rotation and re-election, if eligible, in accordance with the Articles of Association.

The attendance records of each of the Directors at the Board meetings, Board committee meetings and general meetings during the year ended 30 June 2026 are set out below:

Name of Directors	Number of Meetings Attended/Eligible to Attend during the Year Ended 30 June 2026					
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Annual General Meeting	Extraordinary General Meeting
Executive Directors						
Dr. Cheng Kar-shun, Henry ⁽¹⁾	3/3	–	–	–	N/A	0/1
Ms. Huang Shaomei, Echo ⁽²⁾	3/3	–	–	–	N/A	1/1
Ms. Woo Yuk-kwan Rebecca ⁽³⁾	1/1	–	–	–	N/A	1/1
Ms. Chiu Wai-han, Jenny ⁽⁴⁾	6/6	–	4/4	2/2	1/1	1/1
Mr. Lau Fu-keung ⁽⁵⁾	6/6	–	1/1	4/4	1/1	1/1
Mr. Chan Yiu-ho ⁽⁶⁾	6/6	–	1/1	2/2	1/1	1/1
Mr. Cheung Fai-yet, Philip ⁽⁷⁾	1/1	–	2/2	1/1	1/1	N/A
Ms. Xie Hui-fang, Mandy ⁽⁸⁾	2/2	–	3/3	2/2	1/1	N/A
Independent Non-executive Directors						
Mr. Cheong Ying-chew, Henry	6/6	2/2	4/4	4/4	1/1	1/1
Mr. Chan Yiu-tong, Ivan	6/6	1/2	4/4	4/4	1/1	1/1
Mr. Tong Hang-chan, Peter	6/6	2/2	4/4	4/4	1/1	1/1
Mr. Yu Chun-fai	6/6	2/2	4/4	4/4	1/1	1/1
Ms. Ho Pui-yun, Gloria	6/6	2/2	4/4	4/4	1/1	1/1

Notes:

- (1) Appointed as the Chairman and an Executive Director, and a member of the Executive Committee on 9 January 2026.
- (2) Appointed as the Vice-chairman and an Executive Director, and the chairman of the Executive Committee on 9 January 2026.
- (3) Appointed as an Executive Director and the Chief Executive Officer, and a member of the Executive Committee on 1 April 2026.
- (4) Appointed as a member of the Nomination Committee on 9 January 2026.
- (5) Appointed as a member of the Remuneration Committee on 9 January 2026.
- (6) Appointed as a member of each of the Nomination Committee and the Remuneration Committee on 9 January 2026.
- (7) Resigned as the Chairman and an Executive Director, and ceased to be a member of each of the Executive Committee, Nomination Committee and Remuneration Committee on 9 January 2026.
- (8) Resigned as an Executive Director and the Chief Executive Officer, and ceased to be the chairman of the Executive Committee, and a member of each of the Nomination Committee and Remuneration Committee on 14 February 2026.



Roles of the Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer are performed by separate individuals with a clear division of responsibilities to ensure a balance of power and authority. Mr. Cheung Fai-yet, Philip was the Chairman from 26 September 2024 until his retirement on 9 January 2026. Dr. Cheng Kar-shun, Henry was appointed as the Chairman on 9 January 2026. Dr. Cheng is responsible for the leadership and effective running of the Board, ensuring that all material issues are decided by the Board in a constructive manner. Ms. Xie Hui-fang, Mandy was the Chief Executive Officer until her resignation on 14 February 2026. Following Ms. Xie's resignation and pending the appointment of a new Chief Executive Officer, the Company adopted an interim leadership arrangement under which Ms. Huang Shaomei, Echo, the Vice-chairman and an Executive Director assumed the overall leadership responsibility for the day-to-day management and operations of the Group and provided strategic guidance to the management team. Ms. Woo Yuk-kwan Rebecca was appointed as an Executive Director and the Chief Executive Officer on 1 April 2026 and is responsible for running the Group's businesses and the timely implementation of the approved strategies of the Group.

Independent Non-executive Directors

The Independent Non-executive Directors serve the relevant function of bringing independent judgement on the development, performance, risk management and internal controls of the Group. They are subject to retirement by rotation and re-election, if eligible, in accordance with the Articles of Association. The current Independent Non-executive Directors have been appointed with no fixed term of services commencing from 1 July 2022 (save for Ms. Ho Pui-yun, Gloria who has been appointed with no fixed term of service commencing from 1 May 2023).

Board Independence

The Company recognises that Board independence is critical to good corporate governance. The Company has established the Written Terms of Mechanism on Independent Views to the Board (the "Independent Views Mechanism") to ensure a strong independent element on the Board which is key to an effective Board. The Independent Views Mechanism includes procedures to enable the Directors to seek independent professional advice in appropriate circumstances at the Company's expense and incorporates the selection criteria and process of Independent Non-Executive Directors to ensure independent views and input are available to the Board. During the year, the Board has reviewed the Independent Views Mechanism to ensure its implementation and effectiveness.

During the year, the Company has complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules regarding the appointment of sufficient number of independent non-executive directors and is having independent non-executive directors with relevant professional qualifications or accounting or relating financial management expertise. The Company has received annual confirmation of independence from each of the Independent Non-executive Directors in accordance with Rule 3.13 of the Listing Rules. The Nomination Committee is of the view that all the Independent Non-executive Directors are independent in accordance with the Listing Rules.

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties including:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (e) to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

During the year ended 30 June 2026, the Board has reviewed its compliance with applicable disclosure requirements under the Corporate Governance Code; and has performed and carried out the abovementioned corporate governance functions.

Linkage between Corporate Governance and Environmental, Social and Governance

Corporate governance creates the framework within which the Board makes their decisions and develops their businesses. The entire Board has focused on maintaining long-term sustainable growth for the Shareholders and delivering long-term values to all relevant stakeholders. We truly believe that effective corporate governance structure facilitates us to have a better understanding of assessing and managing risks and opportunities, including environmental and social risks and opportunities.

The Board is responsible for the oversight of the Company's sustainability and Environmental, Social and Governance ("ESG") issues and risks. The ESG management approaches and policies are overseen by the Board. The Board identifies and evaluates the material ESG-related issues to internal and external stakeholders (including risks to the Company's businesses), and to deliver the pillars of the "New World Sustainability Vision 2030" ("SV2030"), to manage our ongoing performance.

During the year, two regular Board meetings, among others, were convened at which the ESG development of the Group, such as the Group's sustainability strategy, policies and targets set under the "SV2030" was discussed and the Group's ESG performance and reporting were reviewed.

BOARD COMMITTEES

The Board has delegated its authorities to its committees, namely the Executive Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee. Written terms of reference of each of the Audit Committee, the Nomination Committee and the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

Executive Committee

Members:

Executive Directors

Ms. Huang Shaomei, Echo (*Chairman*)⁽¹⁾
Dr. Cheng Kar-shun, Henry⁽²⁾
Ms. Woo Yuk-kwan Rebecca⁽³⁾
Ms. Chiu Wai-han, Jenny
Mr. Lau Fu-keung
Mr. Chan Yiu-ho

Notes:

(1) appointed as the chairman on 9 January 2026.

(2) appointed as a member on 9 January 2026.

(3) appointed as a member on 1 April 2026.

The Executive Committee serves as an executive arm of the Board with authority and responsibility for delegating certain operating functions to the management to handle the day-to-day operations of the Company, while reserving certain key matters including the declaration of interim dividend, making recommendation of final dividend or other distributions for the approval by the Board. The Executive Committee meets as and when necessary.



Audit Committee

Members:

Independent Non-executive Directors

Mr. Chan Yiu-tong, Ivan (*Chairman*)
Mr. Cheong Ying-chew, Henry
Mr. Tong Hang-chan, Peter
Mr. Yu Chun-fai
Ms. Ho Pui-yun, Gloria

The Audit Committee is responsible for reviewing the effectiveness of the Group's financial reporting processes, risk management and internal control systems. It also reviews the scope and nature of the audit carried out by the Company's auditor. The Audit Committee meets with external auditor at least twice a year to discuss any issues from the audit and any matters the external auditor may wish to raise.

During the year, the Audit Committee held two meetings and the work performed by the Audit Committee included the following:

- (i) reviewed with auditor of the Company the audited consolidated financial statements for the year ended 30 June 2025 and the unaudited interim financial information for the six months ended 31 December 2025;
- (ii) reviewed the risk management and internal control systems of the Company, including the adequacy of resources, staff qualifications and experience, training programmes of the Company's accounting, internal audit, financial reporting functions and those relating to the Company's ESG performance;
- (iii) reviewed the continuing connected transactions; and
- (iv) reviewed internal audit report including the effectiveness of the risk management and internal control systems of the Group.

Remuneration Committee

Members:

Independent Non-executive Directors

Mr. Tong Hang-chan, Peter (*Chairman*)
Mr. Cheong Ying-chew, Henry
Mr. Chan Yiu-tong, Ivan
Mr. Yu Chun-fai
Ms. Ho Pui-yun, Gloria

Executive Directors

Ms. Chiu Wai-han, Jenny
Mr. Lau Fu-keung*
Mr. Chan Yiu-ho*

* Appointed as a member on 9 January 2026.

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, determining, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management; and considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group.

CORPORATE GOVERNANCE REPORT

During the year, the Remuneration Committee held four meetings and the work performed by the Remuneration Committee included the following:

- (i) made recommendations to the Board regarding the directors' fees, and the remuneration package for newly appointed Executive Directors, and
- (ii) determined incentivized bonus for senior management.

The Company has a formal and transparent remuneration policy for Directors and employees in place. The objective of Directors' remuneration policy is to ensure that there is an appropriate level of remuneration to attract and retain experienced people of high calibre, to oversee business and development of the Company. Directors' remuneration is reviewed annually with reference to companies of comparable business or scale. Given that quality and committed staff members are valuable assets contributing to the Group's success, to ensure the ability to attract and retain talents, the Group's remuneration policy for employees is built upon the principles of providing equitable and market-competitive remuneration package that support the performance culture and enable the achievement of strategic business goals.

Details of the amount of emoluments of Directors for the year ended 30 June 2026 are set out in note 9 to the consolidated financial statements.

Nomination Committee

Members:

Independent Non-executive Directors

Mr. Yu Chun-fai (*Chairman*)
Mr. Cheong Ying-chew, Henry
Mr. Chan Yiu-tong, Ivan
Mr. Tong Hang-chan, Peter
Ms. Ho Pui-yun, Gloria

Executive Directors

Ms. Chiu Wai-han, Jenny*
Mr. Lau Fu-keung
Mr. Chan Yiu-ho*

* Appointed as a member on 9 January 2026.

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board at least annually, assisting the Board in maintaining a board skills matrix, making recommendations on any proposed changes to the Board to complement the corporate strategy of the Company and assessing the independence of the Independent Non-executive Directors.

During the year, the Nomination Committee held four meetings and the work performed by the Nomination Committee included the following:

- (i) reviewed the structure, size and composition of the Board and considered that the experience and diversity of perspectives of the Board appropriate to the requirements of the Company's business;
- (ii) made recommendations to the Board on changes to the composition of the Board and the Board committees;
- (iii) reviewed and discussed the findings and recommendations in the 2025 Board Evaluation Report;



- (iv) reviewed the Board Diversity Policy, the Nomination Policy and the Nomination Procedures of Directors and the Nomination Procedures of Directors by Shareholders and considered such policies remain effective and appropriate for the Company; and
- (v) considered the retiring Directors standing for re-election at the forthcoming annual general meeting of the Company (the "2026 AGM") and recommended the same to the Board.

Nomination Policy

The Company has the Nomination Policy in place.

The Nomination Policy sets out the criteria and procedures to be implemented when considering candidates to be appointed or re-elected as Directors. It provides guidance to the Nomination Committee and the Board on nomination of Board members so as to ensure the appointment to the Board of a candidate who will be beneficial to the balance of skills, experience and diversity of perspectives suitable to the business requirements of the Company.

Nomination Criteria

The Nomination Committee shall consider the following criteria in evaluating and selecting candidates for directorship:

- (1) Reputation for integrity;
- (2) Diversity aspects under the Board Diversity Policy including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, knowledge and length of service that are relevant to the Company's business and corporate strategy;
- (3) Willingness to devote adequate time and effort to discharge duties as a member of the Board;
- (4) Independence requirement by reference to the Listing Rules for a candidate to be appointed as independent non-executive Director;
- (5) Potential conflicts of interest with the Company; and
- (6) Such other perspectives appropriate to the Company's business or as suggested by the Board.

Nomination Process

- (1) When it is necessary to fill a causal vacancy or appoint an additional director, the Nomination Committee identifies or selects candidates pursuant to the criteria set out above;
- (2) When it is necessary to re-appoint an existing director, the Nomination Committee reviews overall contribution and service of the retiring director to the Company and determine whether the retiring director continues to meet the criteria as set out above;
- (3) The Nomination Committee shall hold a physical meeting instead of deciding by written resolution to consider the matter unless it is impractical to hold a physical meeting;
- (4) The Nomination Committee makes recommendation to the Board; and
- (5) The Board deliberates and decides on the appointment based upon the recommendation of the Nomination Committee.

Nomination by shareholders

- (1) The Shareholders may also propose a person for election as a director, details of which are set out in the "Procedures for shareholders to propose a person for election as director of the Company" of the Company; and
- (2) The Nomination Committee shall evaluate such candidate based on the criteria as set out in section headed "Nomination Criteria" above to determine whether such candidate is qualified for directorship and where appropriate, the Nomination Committee and/or the Board shall make recommendation to Shareholders in respect of the proposed election of director at the general meeting.

Review of the Policy

The Nomination Committee and/or the Board will review the Nomination Policy from time to time to ensure the effectiveness of the Policy.

Diversity

1. Board Diversity

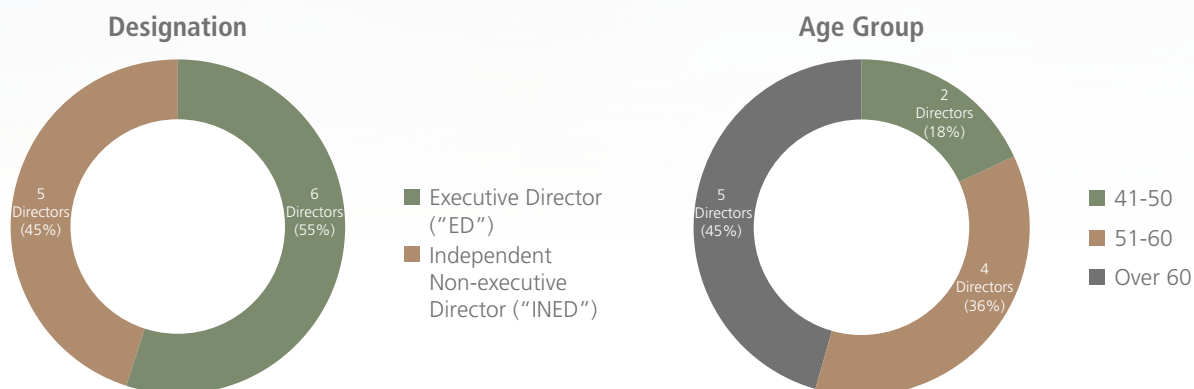
The Company has adopted the Board Diversity Policy which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. Pursuant to the Board Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service and by taking account of the Company's own business model and specific needs.

The appointments of Dr. Cheng Kar-shun, Henry, Ms. Huang Shaomei, Echo and Ms. Woo Yuk-kwan Rebecca as Executive Directors were considered by the Nomination Committee, which took into consideration their skills, expertise and professional experience when determining their eligibility as Directors. Following the approvals by the Board upon the recommendations of the Nomination Committee, the appointments of Dr. Cheng and Ms. Huang took effect on 9 January 2026 and the appointment of Ms. Woo took effect on 1 April 2026.

The Board has set measurable objectives to implement the Board Diversity Policy and will review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Nomination Committee has reviewed the Board Diversity Policy during the year to ensure its continued effectiveness.

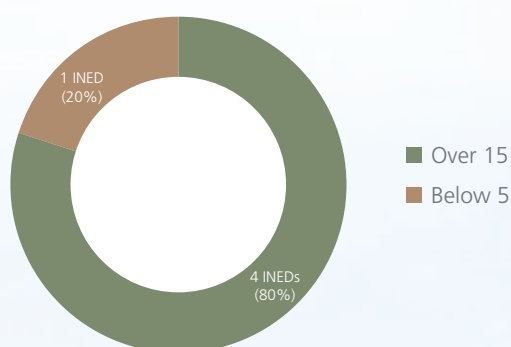
Currently, four out of the eleven Directors are female, accounting for 36.40% of the Board, which exceeds the Company's aim of maintaining a minimum of 20% female representation on the Board. The Company remains committed to seeking opportunities to increase the proportion of female board members and promoting board diversity.

The charts below demonstrate the details of the mix of skills that the Board currently has:

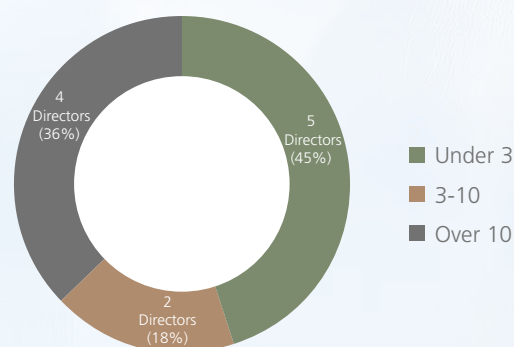




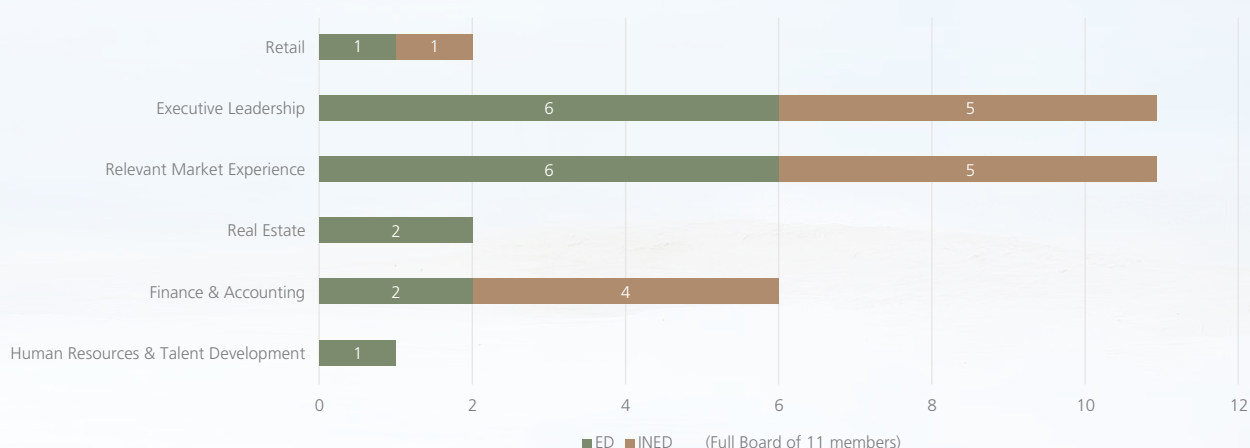
Length of Service - INED (No. of years)



Length of Service - Full Board (No. of years)



Board Expertise & Skills



The chart above sets out the skills and expertise of the Board that align with the Group's purpose, values, strategy and culture, and enable the Board to discharge its responsibilities and duties effectively in terms of:

- driving innovation through diverse industry and market expertise, enabling the Board to identify opportunities and support sustainable growth;
- providing foresight through strong executive leadership and market experience, supporting the Board to guide the Group's long-term strategic development;
- upholding integrity through robust governance and independent oversight, promoting accountability and transparency;
- exercising prudence through extensive experience in finance and risk management, supporting sound financial reporting, effective risk management oversight and compliance with the Company's obligations as a company listed on the Stock Exchange, having regard to the Group's business; and
- Drawing on diverse backgrounds and promoting mutual respect to enhance the corporate culture throughout the Group, supporting its long-term development.

The Nomination Committee regularly reviews the structure, size and composition of the Board in accordance with the Listing Rules, the Diversity Policy and the Nomination Policy. The Board has not adopted any specific plan to acquire additional skills as it considers that its current composition provides an appropriate balance of diversity, skills and experience to meet the Group's business needs.

2. Workforce Diversity

The Company values the diversity of its employees and is committed to establishing a diverse and inclusive workforce, ensuring that all employees enjoy equal opportunities for development. The Company has adopted a Workforce Diversity Policy that outlines its approach and commitment to diversity and inclusion in the workforce (including senior management) which supports the Group to build an equal, inclusive and supportive workplace, in which all forms of discrimination, harassment and intimidation or violence, whether based on race, color, gender, disability, or other factors, are prohibited. As at 30 June 2026, the Group had 1,349 employees, of which about 47.15% were female. As such, the Company considers that it has achieved gender diversity in its workforce by achieving our target of over 40% female representation across its total workforce, including senior management. In addition, as at 30 June 2026, the gender ratio of senior management was 46.81% female and 53.19% male, while the gender ratio of the workforce (excluding senior management) was 47.16% female and 52.84% male. The Company is satisfied that the current gender mix of its workforce is appropriate having regard to the Group's operational requirements and business nature, and will continue to monitor and promote diversity across the workforce. For details of the workforce diversity of the Group, please refer to the section of "Sustainability Report" of this annual report.

Directors' Time Commitment and Contribution to the Board

The Nomination Committee conducts an annual assessment of whether each Director has devoted sufficient time and attention to the discharge of his/her duties and responsibilities and has contributed effectively to the Board's work from an overall perspective. The Directors are required to disclose to the Company details of the time committed to their roles within the Group, as well as details of directorships held in other listed public companies and any other significant external appointments, together with an indication of the time commitment involved in each. In evaluating Directors' contributions, the Nomination Committee also takes into account, their attendance and participation at Board, Board committee and general meetings.

Each Director is required to update and confirm his/her educational background, professional qualifications, major appointments, work experience and skill he/she possess that contribute to the Board's effectiveness.

In addition, the Nomination Committee reviews the continuous professional development undertaken by each Director during the year, including the number of training hours, topics covered (as required under the Listing Rules) and modes of training taken, in order to assess whether each Director has devoted efforts to stay abreast of the latest developments in, inter alia, board functions, directors' duties, laws and regulations, corporate governance, ESG and industry and business matters relevant to the Group.

Having reviewed the above information for the year ended 30 June 2026, the Nomination Committee was satisfied that each Director had devoted sufficient time and effort to the Group's affairs, discharged his/her duties and responsibilities and had made an effective contribution to the Board during the year.

Board Evaluation

During the year ended 30 June 2025, the Company conducted an internal Board evaluation (the "2025 Board Evaluation") through an anonymous online questionnaire to assess the Board's effectiveness and performance.

A report on the 2025 Board Evaluation, comprising analysis of findings, comments from the Directors, and recommendations, was submitted to the Nomination Committee for consideration, and a summary of the report was also presented to the Board in September 2025. The summary of findings and recommendations were disclosed in the Corporate Governance Report of the Company's 2025 Annual Report.



The measures taken during the year in response to the recommendations made in the 2025 Board Evaluation Report are summarised below:

Recommendations	Measures taken during the year
1. To enhance the quality of meeting minutes by providing more detailed records.	The Company enhanced its minute-taking practices to ensure that the minutes of Board and Board Committee meetings more comprehensively documented the Board's deliberations, key considerations and decisions.
2. To provide more IT-related trainings to the Board.	An IT-related training session has been provided to the Directors to enhance their knowledge and understanding of cybersecurity and information security risks from corporate governance perspective. The Company will continue to provide IT-related training sessions to Directors to strengthen the Board's ability to ensure that technology risks are appropriately considered within the Company's overall risk management and governance framework. The next IT-related training session is scheduled to be held at the end of September 2026.
3. To provide regular updates on succession strategies.	The Company reviewed its succession planning strategy as part of the Board refreshment initiatives to support the Group's business needs. The Company will proactively update the Board on key management deployment and succession matters, as part of its ongoing succession planning efforts. In addition, the Company will continue to monitor Directors' tenure, particularly the tenure of the INEDs, and implement appropriate succession plans to ensure compliance with the Listing Rules regarding the phased elimination of long-serving INEDs by 1 July 2031.

The Board will continue to conduct evaluations either internally or by an external provider at least every two years. The next Board performance evaluation will be conducted in 2027.

Directors' Continuous Professional Development

The Company recognises the importance of the continuous professional development of the Directors to ensure that they remain equipped with the knowledge and skills required for the effective discharge of their duties. All Directors participate in continuous professional development to develop and refresh their knowledge and skills. The Directors receive timely updates on significant developments affecting the Group's business and operations. The Company Secretary also provides the Directors, from time to time, with updates on the latest developments and changes to the Listing Rules and other relevant legal and regulatory requirements.

All Directors newly appointed during the year ended 30 June 2026 obtained, pursuant to Rule 3.09D of the Listing Rules, legal advice from a firm of solicitors qualified to advise on Hong Kong law regarding the requirements under the Listing Rules applicable to them as Directors and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Dr. Cheng Kar-shun, Henry, and Ms. Huang Shaomei, Echo, obtained such legal advice on 9 January 2026, while Ms. Woo Yuk-kwan Rebecca obtained such legal advice on 31 March 2026. Each of them has confirmed that he/she understood his/her obligations as a Director.

CORPORATE GOVERNANCE REPORT

During the year ended 30 June 2026, the Company has arranged internal and external training sessions for Directors covering the specified topics of board and directors' duties, corporate governance and ESG, risk management and internal controls, and industry and business updates. In addition, the Company provided Directors with reading materials for self-study on topics including board and directors' duties, compliance with the Listing Rules and Hong Kong laws, corporate governance and ESG, risk management and internal controls, and industry and business updates. The training sessions and reading materials were of sufficient quality to adequately support the Directors' continuous professional development and covered the specified topics required under Rule 3.09G of the Listing Rules. All Directors complied with the continuous professional development requirements under Rules 3.09F and 3.09G of the Listing Rules during the year. As Dr. Cheng Kar-shun, Henry, and Ms. Huang Shaomei, Echo are not regarded as first-time directors as defined under the Listing Rules, the additional continuous professional development requirement under Rule 3.09H of the Listing Rules did not apply to them.

The records of Directors' participation in continuous professional development during the year ended 30 June 2026 are set out below:

Records of Directors' Continuous Professional Development during the Year Ended 30 June 2026				
Name of Directors	Hours (by Mode of Training ⁽¹⁾) (Topic(s) ⁽²⁾ /Training Provider(s) ⁽³⁾)			Total Hour(s)
	Internal Training	External Training	Self-study	
Executive Directors				
Dr. Cheng Kar-shun, Henry ⁽⁴⁾	–	2 (c,e/iii,vi)	13 (a,b,c,d,e/iii, iv, v)	15
Ms. Huang Shaomei, Echo ⁽⁵⁾	5 (e/v)	1 (b/i)	13 (a,b,c,d,e/iii,iv,v)	19
Ms. Woo Yuk-kwan Rebecca ⁽⁶⁾	–	–	8 (a,b,c,d,e/i,iv,v)	8
Ms. Chiu Wai-han, Jenny	5 (e/v)	7.5 (b,d/i,ii)	11.5 (a,b,c,d,e/i,iii,iv,v)	24
Mr. Lau Fu-keung	5 (e/v)	24.5 (a,b,c,d/i,ii,iii)	13 (a,b,c,d,e/i,ii,iii,iv,v)	42.5
Mr. Chan Yiu-ho	5 (e/v)	1 (c/iii)	9.5 (a,b,c,d,e/i,iv,v)	15.5
Mr. Cheung Fai-yet, Philip ⁽⁷⁾	–	1 (b/i)	–	1
Ms. Xie Hui-fang, Mandy ⁽⁸⁾	–	1 (b/i)	–	1
Independent Non-executive Directors				
Mr. Cheong Ying-chew, Henry	–	1 (b/i)	11 (a,b,c,d,e/i,iii, iv, v)	12
Mr. Chan Yiu-tong, Ivan	–	1 (b/i)	10 (a,b,c,d,e/i, iv, v)	11
Mr. Tong Hang-chan, Peter	–	1 (b/i)	11 (a,b,c,d,e/i,iii, iv, v)	12
Mr. Yu Chun-fai	–	1 (b/i)	11 (a,b,c,d,e/i,iii, iv, v)	12
Ms. Ho Pui-yun, Gloria	–	–	10 (a,b,c,d,e/i, iv, v)	10

Notes:

(1) Modes of Training:

- "External training" includes seminars, webinars, forums, conferences, workshops and other learning activities organised by external parties (such as regulatory bodies, professional bodies, professional firms, industry associations and other listed issuers).
- "Internal training" includes seminars, forums, briefings, site visits and other learning activities organised by the NWD Group.
- "Self-study" includes self-directed learning undertaken by Directors through learning resources (e.g. publications, online materials, regulatory/industry/market updates, etc.) published and/or circulated by external parties (such as regulatory bodies, professional bodies, professional firms, industry associations and other listed issuers) or the NWD Group (including the Company).



(2) Training Topics:

- (a) the roles, functions and responsibilities of the board, its committees and its directors, and board effectiveness
- (b) the Company's obligations and directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments (including Listing Rules updates relevant to the discharge of such obligations and duties)
- (c) corporate governance and ESG matters (including developments on sustainability or climate-related risks and opportunities relevant to the Company and its business)
- (d) risk management and internal controls
- (e) updates on industry-specific developments, business trends and strategies relevant to the Company

(3) Training Providers:

- (i) regulatory bodies
 - (ii) professional bodies
 - (iii) professional firms
 - (iv) industry associations
 - (v) the NWD Group (including the Company)
 - (vi) others
- (4) Appointed as the Chairman and an Executive Director on 9 January 2026.
- (5) Appointed as the Vice-chairman and an Executive Director on 9 January 2026.
- (6) Appointed as an Executive Director and Chief Executive Officer on 1 April 2026.
- (7) Resigned as the Chairman and an Executive Director on 9 January 2026.
- (8) Resigned as an Executive Director and Chief Executive Officer on 14 February 2026.

Remuneration of Directors

The remuneration of the Directors is determined with reference to the performance and responsibilities of individuals, performance of the Group and prevailing market conditions. By providing remuneration at competitive industry levels, the Company seeks to attract, motivate and retain key executives essential to its future development and growth. To provide an opportunity for the Directors to participate in the equity of the Company as well as to motivate them to optimise their performance, all Directors are eligible to be granted options to subscribe for shares of the Company under the Company's share option scheme adopted on 26 June 2023. In addition, all Directors are covered by appropriate insurance on Directors' liabilities from their risk exposure arising from the management of the Group.

FINANCIAL REPORTING, RISK MANAGEMENT AND INTERNAL CONTROL

The annual and interim results of the Company were published in a timely manner during the year. The Directors acknowledge their responsibility for the preparation of the annual report and financial statements of the Company to ensure that the consolidated financial statements are presented in accordance with the applicable laws and accounting standards. The Directors consider that in preparing the consolidated financial statements, the Group has made judgments that are reasonable and prudent, in accordance with the applicable accounting standards.

CORPORATE GOVERNANCE REPORT

The reporting responsibilities of PricewaterhouseCoopers, the Company's external auditor, are stated in the Independent Auditor's Report on pages 123 to 129 of this annual report.

The Board acknowledges its responsibility for the Group's risk management and internal control systems and reviewing their effectiveness on an ongoing basis. The Board confirms that the Group's risk management and internal control systems are appropriate and effective for managing identified risks, safeguarding assets, preventing and detecting fraud and misconduct, and ensuring the reliability of financial reporting and compliance with applicable laws and regulations.

Management is responsible for the day-to-day implementation and monitoring of the Group's risk management and internal control systems. Business units and functional departments are responsible for identifying, assessing and managing risks within their respective areas of operation, maintaining effective internal controls and reporting significant risks and control deficiencies to management in a timely manner. Management also regularly reviews the effectiveness of the controls in place and implements appropriate remedial measures where necessary.

The Group has a designated internal audit team which is responsible for identifying and monitoring the Group's risks and internal control issues and reporting any significant findings and follow-up actions directly to the Audit Committee. The Board, through the Audit Committee, conducted a semi-annual review of the effectiveness and adequacy of the Group's risk management and internal control systems during the year, covering all material areas including financial, operational and compliance controls, as well as risk management functions. The review was supported by regular reports submitted to the Audit Committee by management, internal audit and whistleblowing function. Based on the review, the Audit Committee was satisfied that the risk management and internal control systems were effective and adequate; and no significant control deficiencies or weaknesses were identified that would have a material adverse impact on the Group during the year.

The Audit Committee also considered the adequacy of resources for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience and training programmes of the Group's accounting, internal audit, financial reporting functions, as well as those relating to the Group's ESG performance and reporting during the year.

Policies

Whistleblowing policy

- The Group has the Whistleblowing Policy in place, which serves as a useful way to uncover fraud, malpractice, misconduct or significant risk within the Company. The policy aims to encourage and assist employees of the Group or third parties (such as customers and suppliers of the Group) to raise relevant concern confidentially and to provide them with reporting channels and guidance, as well as to reveal suspected fraud, malpractice or misconduct before any disruption or loss is caused to the Group.

Anti-Fraud and Counter-Corruption Policy

- The Anti-Fraud and Counter-Corruption Policy sets out the Company's expectations and requirements relating to the prevention, detection, reporting and investigation of any suspected fraud, corruption and other similar irregularities. The Policy applies to all directors, senior management and employees (permanent or temporary) of the Group.

Continuous Disclosure Policy

- The Company has adopted continuous disclosure policy which sets out the obligations, guidelines and procedures for handling and dissemination of inside information. With those guidelines and procedures, the Group has management controls in place to ensure that potential inside information can be promptly identified, assessed and escalated for the attention of the Board to decide about the need for disclosure. All staff members must fully comply with this policy.



DIRECTORS' RESPONSIBILITY STATEMENT

The Directors acknowledge their responsibilities for keeping proper accounting records and preparing financial statements of each financial period, giving a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the financial statements for the year ended 30 June 2026, the Directors had:

- (1) approved the adoption of all applicable HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants;
- (2) selected and applied consistently appropriate accounting policies; and
- (3) prepared the financial statements on a going concern basis.

COMPANY SECRETARY

The Company Secretary reports to the Board and has day-to-day knowledge of the Company's affairs. Her responsibilities include advising the board on governance matters. The Board has access to the advice and services of the Company Secretary at all times. During the year ended 30 June 2026, the Company Secretary has taken no less than 15 hours of relevant professional training.

COMMUNICATION WITH SHAREHOLDERS

The Group is committed to enhancing long-term shareholder value and ensuring that the Shareholders, both individual and institutional are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments, governance and risk profile), in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and the investment community to engage actively with the Company.

The Company has the Shareholders Communication Policy in place, which is available on its website, to promote effective communication with Shareholders so as to enable them to engage actively with the Company and exercise their rights as Shareholders in an informed manner. The Company has reviewed the implementation and effectiveness of the Shareholders Communication Policy during the year under review, and confirmed that the policy had been effectively implemented.

To facilitate effective communication, the Company also publishes on its website the latest information relating to its business operations and developments, financial information, corporate governance practices and other relevant information for public inspection. Shareholders who wish to put forward enquiries to the Board about the Company or express their views on the Company may contact the Company's Corporate Affairs Department at 10th Floor, Tower A, 83 King Lam Street, Cheung Sha Wan, Kowloon, Hong Kong or by e-mail to shmocad@nwds.com.cn. The Company will endeavor to respond to their queries in a timely manner.

General meetings of the Company provide Shareholders with opportunity to meet the Board and share their views. During the year, the Company held two general meetings, being the 2025 annual general meeting of the Company held on 19 November 2025 (the "2025 AGM") and the 2026 EGM, both of which were conducted as hybrid meetings, at which the Shareholders could join the physically or by electronic facilities and could vote electronically through the online platform.

CORPORATE GOVERNANCE REPORT

Directors are encouraged to attend general meetings to answer questions raised by the Shareholders on the performance of the Group. At the 2025 AGM, the Chairman, the chairmen of the Board committees, other Directors and the external auditor attended and were available to address questions raised by Shareholders regarding the Group's performance. The 2026 EGM was attended by all Directors, with the exception of the Chairman. The Company will continue to encourage the attendance of the Chairman, the chairmen of the Board committees, other Directors and the external auditor at future annual general meetings to facilitate communication with Shareholders.

To ensure the general meeting could be conducted in a fair and transparent manner, each of the resolutions considered at the general meetings held during the year was voted by poll and the branch share registrar and transfer agent of the Company in Hong Kong was appointed as the scrutineer to count the votes and explain to the Shareholders at the meeting the procedures for voting by poll. The poll results were posted on the websites of the Company (www.nwds.com.hk) and the Stock Exchange (www.hkexnews.hk).

SHAREHOLDERS' RIGHTS

According to the Articles of Association, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board and to put forward proposals specified in such requisition by the procedures below:

The Shareholder shall deposit a requisition in writing to require an extraordinary general meeting and to put forward proposals at the Company's head office at 10th Floor, Tower A, 83 King Lam Street, Cheung Sha Wan, Kowloon, Hong Kong (attention to: Company Secretary) or the branch share registrar and transfer agent of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (attention to: Mr. Jason Man).

The requisition must include the business to be transacted at the required extraordinary general meeting and must be signed by the Shareholder concerned. If the requisition is confirmed as proper and valid, an extraordinary general meeting shall be held within two months after the deposit of such requisition subject to the requirements of the relevant Articles of Association and the Listing Rules. In case an extraordinary general meeting could not be convened upon the request, the Company will inform the Shareholder accordingly.

If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

There are no provisions under the Articles of Association or the Companies Act (As revised), Cap 22 of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as directors. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.



DIVIDEND POLICY

The Company will distribute to all Shareholders funds surplus to the operating needs of the Group, but subject always to:

- (1) any restrictions under the Companies Act of the Cayman Islands or other rules and regulations which are applicable to the Company;
- (2) any banking or other funding covenants by which the Company is bound from time to time;
- (3) the capital expenditure and operating requirements of the Group; and
- (4) the external economic and market situation.

Declaration and recommendation of payment of dividends of the Company are also subject to the approval of the Directors and Shareholders, where applicable and depending on the distributable annual profit for that financial year, results of operations, working capital, financial position, future prospects, and capital requirements, as well as any other factors which the Directors may consider relevant from time to time. The Company does not have a fixed dividend payout ratio and currently intends to retain most of our available funds and future earnings to operate and develop our business.

The Board has made an effort to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy.

The Board will continually review the dividend policy and update, amend and modify the dividend policy from time to time and there can be no assurance that dividend will be paid in any particular amount for any given period.

The Board decided not to declare any dividend for the financial year ended 30 June 2026 after considering the profit performance, current financial position and future operational needs of the Company. It is confirmed that all dividend decisions made by the Board were in accordance with the Dividend Policy.

CONSTITUTIONAL DOCUMENTS

No amendments were made to the Articles of Association during the year ended 30 June 2026.

The Company has proposed the adoption of new Articles of Association incorporating amendments to, among other things, align with the latest legal and regulatory requirements in relation to (i) the implementation of the treasury share regime for listed issuers, (ii) the dissemination of corporate communications by the Company by means of a website, (iii) the further expansion of the paperless listing regime; and (iv) the uncertificated securities market regime.

A special resolution to approve the adoption of the new Articles of Association will be proposed at the 2026 AGM. Details of the proposed amendments to the Articles of Association are set out in the announcement of the Company dated 30 September 2026.

CORPORATE GOVERNANCE REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The details of the Group's environmental policies and performance, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are set out in the section of "Sustainability Report" of this annual report, which provides an overview of the Group's efforts and performance in pursuing corporate sustainability. Supplementary information is available on the Company's website under the "Corporate Sustainability" section.

The Group's Sustainability Report has been prepared in accordance with the Global Reporting Initiative Standards, as well as the requirements stipulated in the Environmental, Social and Governance Reporting Code set out in Appendix C2 to the Listing Rules. It also referenced the guidelines of the Task Force on Climate-related Financial Disclosures, the Sustainable Development Goals and the standard for multiline and specialty retailers & distributors industry set by the Sustainability Accounting Standards Board.

INVESTOR RELATIONS

The Group believes that effective and timely communication with the investment community is essential. Since the Company's listing on the Main Board of the Stock Exchange in 2007, the Corporate Affairs Department has been set up to keep investors and the capital market abreast of the Group's business and development by providing necessary information and data. Representative from the aforementioned department maintains an open dialogue with local and overseas institutional investors and analysts through face-to-face meetings, teleconferences and store visits; and also attends investor conferences at home and abroad upon receiving invitations.

The Group recognises the importance of fair and transparent disclosure of information and its corporate website (www.nwds.com.hk) plays an important role in the Group's compliance with regulatory requirements in this regard. The Group's announcements, results presentations, financial reports and sustainability reports are made available in the "Investors" and "Corporate Sustainability" sections on the website to keep capital market participants informed of the Group's financial and operational performance.

AUDITOR'S REMUNERATION

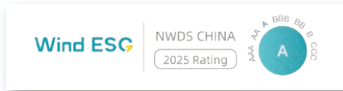
For the year ended 30 June 2026, the total fee paid/payable by the Group to the external auditor in respect of audit services and non-audit services is set out below:

Type of Services	Fee paid/payable for the year ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Audit Services	3,800	3,900
Non-audit Services	612	717
Total	4,412	4,617

Note: Non-audit services comprise primarily interim review, tax advisory and other related services.

GROUP HONOURS

Corporate Governance



ISSUER

Wind

NAME

"A" rating in the Wind ESG Rating



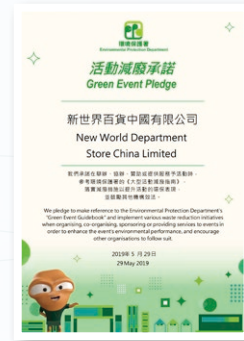
ISSUER

Hong Kong Commercial Daily, Global Business Press Alliance, Economic Herald

NAME

"2025 Listed Companies Excellence ESG Value List" – "ESG Excellence Report Disclosure Company" Award

Environmental Protection



ISSUER

The Environmental Bureau of the Hong Kong Special Administrative Region

NAME

"Hong Kong Actions on Climate Change" – "Carbon Audit Green Partner" Certification

PROPOSING INSTITUTION

The Environmental Bureau of the Hong Kong Special Administrative Region

PARTICIPATION

"Hong Kong Actions on Climate Change" Carbon Audit Green Partner

"Activity Waste Reduction Commitment" Participating Organisation

Employee Care



ISSUER

Zhaopin

NAME

"2025 China Best Employer of the Year" – "Shanghai Best Employer" Award



ISSUER

Mandatory Provident Fund Schemes Authority of the Hong Kong Special Administrative Region

NAME

"2024-25 Good MPF Employer" – "Good MPF Employer" Award

Community Services



ISSUER

Meituan

NAME

"2025 Meituan Service Retail Shopping Mall Industry Annual Awards List" Programme – "Influential Brand of the Year" Award

External Advocacy and Membership



PROPOSING INSTITUTION

World Green Organisation

PARTICIPATION

"Paper Saving Campaign" Participating Organisation

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REPORT OF THE DIRECTORS

The Directors are pleased to present their report together with the audited consolidated financial statements of the Group for the year ended 30 June 2026.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is engaged in department store and property investment operations in the Chinese Mainland. The principal activities of the principal subsidiaries of the Group are set out in note 40 to the consolidated financial statements.

RESULTS AND APPROPRIATION

The results of the Group for the year ended 30 June 2026 are set out in the consolidated income statement on page 130 of this annual report.

The Directors have resolved not to recommend a final dividend for the year ended 30 June 2026 (2025: nil).

BUSINESS REVIEW

A fair review of the business of the Group during the year, a discussion on the Group's future business development and description of possible risks and uncertainties that the Group may be facing are provided in the sections headed "Chairman's Statement", "Management Discussion and Analysis", "Report of the Directors" and "Risk Factors" of this annual report. The financial risk management objectives and policies of the Group can be found in note 3 to the consolidated financial statements. An analysis of the Group's performance during the year using financial key performance indicators is provided in the "Management Discussion and Analysis" section on pages 8 to 23 of this annual report. In addition, discussion on the Group's environmental policies and performance, relationships with its key stakeholders, compliance with relevant laws and regulations which have a significant impact on the Group and the climate-related risks and opportunities are set out in the section of "Sustainability Report" of this annual report.

The discussions above form part of this Report of the Directors.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders who are entitled to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Friday, 13 November 2026 to Wednesday, 18 November 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. The record date is Wednesday, 18 November 2026. In order to qualify for attending and voting at the 2026 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer agent of the Company in Hong Kong, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 12 November 2026.

SHARES OR DEBENTURES ISSUED

During the year, no shares or debentures were issued by the Company. Details of the share capital of the Company during the year are set out in note 30 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme of the Company disclosed in this annual report, no equity-linked agreements were entered into by the Group during the year or subsisted at the end of the year.



DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 30 June 2026, calculated under the laws of the Cayman Islands, amounted to HK\$900.2 million (2025: HK\$887.4 million).

FIVE-YEAR FINANCIAL SUMMARY

Financial summary of the Group for the last five financial years is set out on page 204 of this annual report.

PRINCIPAL INVESTMENT PROPERTIES

Details of the principal properties held for investment purposes are set out on page 205 of this annual report.

CHARITABLE DONATIONS

Charitable donations, in form of money and materials, made by the Group during the year amounted to approximately HK\$8,000 (2025: approximately HK\$12,000).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands.

DIRECTORS

The Directors during the year and up to the date of this report are:

Executive Directors

Dr. Cheng Kar-shun, Henry GBM GBS (<i>Chairman</i>)	(appointed on 9 January 2026)
Ms. Huang Shaomei, Echo JP (<i>Vice-chairman</i>)	(appointed on 9 January 2026)
Ms. Woo Yuk-kwan Rebecca (<i>Chief Executive Officer</i>)	(appointed on 1 April 2026)
Ms. Chiu Wai-han, Jenny	
Mr. Lau Fu-keung	
Mr. Chan Yiu-ho	
Mr. Cheung Fai-yet, Philip	(resigned on 9 January 2026)
Ms. Xie Hui-fang, Mandy	(resigned on 14 February 2026)

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

In accordance with articles 87(1) and 87(2) of the Articles of Association, Mr. Cheong Ying-chew, Henry, Mr. Chan Yiu-tong, Ivan and Ms. Ho Pui-yun, Gloria will retire by rotation at the 2026 AGM, being eligible, offer themselves for re-election.

In accordance with article 86(3) of the Articles of Association, Dr. Cheng Kar-shun, Henry and Ms. Huang Shaomei, Echo, being new Directors appointed on 9 January 2026; and Ms. Woo Yuk-kwan Rebecca, being a new Director appointed on 1 April 2026, will hold office until the 2026 AGM following their appointment, and being eligible, offer themselves for re-election.

Mr. Cheung Fai-yet, Philip and Ms. Xie Hui-fang, Mandy resigned as Directors on 9 January 2026 and 14 February 2026, respectively. Each of them confirmed that he or she had no disagreement with the Board and there were no matters relating to his or her resignation that needed to be brought to the attention of the Shareholders.

AUDIT COMMITTEE

The Audit Committee was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process, risk management and internal controls. The Audit Committee currently consists of five Independent Non-executive Directors. The Audit Committee has reviewed the systems of risk management and internal controls, the annual results and the audited consolidated financial statements of the Group for the year ended 30 June 2026 and discussed those related matters with the management.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts of significance to which the Company, its parent company or any of its subsidiaries or its fellow subsidiaries was a party and in which any Director had a material interest, whether directly or indirectly, subsisted as at 30 June 2026 or at any time during the year.

PERMITTED INDEMNITY PROVISION

The Articles of Association provide that every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

During the year, the Company has taken out and maintained directors' liability insurance, which provides appropriate cover for the Directors and directors of the subsidiaries of the Company.



DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, pursuant to the Listing Rules, the following Directors have interests in the following businesses which are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Group (other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group) are set out below:

Businesses which are considered to compete or are likely to compete with the businesses of the Group			
Name of Director	Name of entity	Description of business	Nature of interest of the Director in the entity
Dr. Cheng Kar-shun, Henry ^(Note)	NWD group of companies	Property investment	Director
	Chow Tai Fook Enterprises Limited ("CTFE") group of companies	Property investment	Director
	Cheung Hung Development (Holdings) Limited	Property investment	Director
Ms. Huang Shaomei, Echo ^(Note)	NWD group of companies	Property investment	Director
	Shenzhen Fusheng Investments Co., Ltd.	Property investment	Director
	Guangzhou Junfu Real Estate Development Co., Ltd.	Property investment	Director
	Guangzhou Xinyu Operation Management Co., Ltd.	Property investment	Director
	Tianjin New World Huan Bo Hai Real Estate Development Co., Ltd.	Property investment	Director
	Chow Tai Fook Business Development (Wuhan) Co., Ltd.	Property investment	Director
	Chow Tai Fook Chuangdi Real Estate (Wuhan) Co., Ltd.	Property investment	Director
	Wuhan Xinhuiye Real Estate Co., Ltd.	Property investment	Director
Ms. Chiu Wai-han, Jenny	NWD group of companies	Property investment	Director
Mr. Lau Fu-keung	NWD group of companies	Property investment	Director

DIRECTORS' INTERESTS IN COMPETING BUSINESS (CONTINUED)

Name of Director	Businesses which are considered to compete or are likely to compete with the businesses of the Group		
	Name of entity	Description of business	Nature of interest of the Director in the entity
Mr. Chan Yiu-ho	NWD group of companies	Property investment	Director
	Shenzhen Fusheng Investments Co., Ltd.	Property investment	Director
	Guangzhou Xinyu Operation Management Co., Ltd.	Property investment	Director
	Tianjin New World Huan Bo Hai Real Estate Development Co., Ltd.	Property investment	Director
	Chow Tai Fook Business Development (Wuhan) Co., Ltd.	Property investment	Director
	Chow Tai Fook Chuangdi Real Estate (Wuhan) Co., Ltd.	Property investment	Director
	Wuhan Xinhuiye Real Estate Co., Ltd.	Property investment	Director

Note:

Appointed as an Executive Director on 9 January 2026.

DEED OF NON-COMPETITION

Under the deed of non-competition dated 22 June 2007 given by NWD in favour of the Company (the "Deed"), details of which were stated in the prospectus of the Company dated 28 June 2007, NWD has undertaken not to engage or carry on (including through any associate, subsidiary, body corporate or other contractual arrangement) the following business(es) (the "Restricted Business(es)") in the Chinese Mainland:

- (a) department stores;
- (b) supermarkets;
- (c) hypermarkets;
- (d) convenience stores;
- (e) specialty merchandise stores; and
- (f) supercentres.

If there is any disagreement between the Company and NWD as to whether an activity of the NWD Group constitutes a Restricted Business, the matter shall be determined by the majority of the Independent Non-executive Directors whose decision shall be binding.

The Independent Non-executive Directors have reviewed the annual confirmation from NWD that NWD has not breached and has complied with the terms of the Deed during the year.



CONTINUING CONNECTED TRANSACTIONS

The Company has entered into the following continuing connected transactions which are subject to disclosure requirement in the annual report under the Listing Rules:

1. Master Leasing Agreement

On 11 April 2014, the Company and NWD entered into a master leasing agreement (the “2014 Master Leasing Agreement”) in relation to all existing and future transactions between members of the Group and members of the NWD Group regarding the leasing of premises and/or the provision of related services (as the case may be) by members of the Group to members of the NWD Group, and vice versa (the “Leasing Transactions”). Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the 2014 Master Leasing Agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with the 2014 Master Leasing Agreement.

On 28 April 2023, the Company and NWD entered into a master leasing agreement in relation to the Leasing Transactions (the “2023 Master Leasing Agreement”) and agreed to terminate the 2014 Master Leasing Agreement upon the 2023 Master Leasing Agreement becoming effective on 1 July 2023. The 2023 Master Leasing Agreement shall continue to be effective up to and including 30 June 2026, subject to the annual caps for fixed lease payments payable by the Group as lessee not exceeding RMB534,000,000, RMB523,000,000 and RMB436,000,000, respectively and variable lease and service payments payable by the Group as lessee not exceeding RMB121,000,000, RMB153,000,000 and RMB162,000,000, respectively (collectively, the “Leasing Annual Caps”). Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the Master Leasing Agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with the 2023 Master Leasing Agreement. The entering into of the 2023 Master Leasing Agreement, the Leasing Transactions and the Leasing Annual Caps were approved at the extraordinary general meeting of the Company held on 26 June 2023 (the “2023 EGM”).

During the year ended 30 June 2026, the aggregate transaction amount under the 2023 Master Leasing Agreement in relation to the fixed lease payments payable by the Group as lessee was amounted to approximately RMB4,153,000 (2025: approximately RMB62,540,000) and the variable lease payments payable by the Group as lessee amounted to approximately RMB59,658,000 (2025: approximately RMB73,615,000).

On 24 April 2026, the Company and NWD entered into a new master leasing agreement (the “2026 Master Leasing Agreement”) in relation to the Leasing Transactions for a term of three years, commencing from 1 July 2026 to 30 June 2029 and agreed to terminate the 2023 Master Leasing Agreement upon the effective date of the 2026 Master Leasing Agreement. Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the 2026 Master Leasing Agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with the 2026 Master Leasing Agreement. The 2026 Master Leasing Agreement, the transactions contemplated thereunder and the relevant annual caps set for each of the three financial years ending 30 June 2029 were approved by the independent shareholders at the 2026 EGM. Please refer to the announcement of the Company dated 24 April 2026 and the circular of the Company dated 4 June 2026 for details.

As NWD is a substantial shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. Accordingly, the entering into of the 2026 Master Leasing Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

2. Master Concessionaire Counter Agreement

On 22 March 2012, the Company and Chow Tai Fook Jewellery Group Limited (“CTFJ” and together with its subsidiaries, “CTFJ Group”) entered into a master concessionaire counter agreement (the “Master Concessionaire Counter Agreement”) commencing from 24 April 2012 up to and including 30 June 2014, in relation to all existing and future transactions between members of the Group and members of the CTFJ Group arising from the concessionaire arrangements or rental agreements in respect of retailing counters for the sale of jewellery products and watches by the CTFJ Group at properties in the Chinese Mainland owned by, or leased to, the Group or at which the Group operates its business, as contemplated under the Master Concessionaire Counter Agreement. Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the Master Concessionaire Counter Agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with the Master Concessionaire Counter Agreement. The Master Concessionaire Counter Agreement expired on 30 June 2023. As approved at the 2023 EGM, the Master Concessionaire Counter Agreement was renewed for a further term of three years commencing on 1 July 2023 and subject to the annual caps not exceeding RMB89,000,000, RMB95,000,000 and RMB100,000,000 respectively.

During the year ended 30 June 2026, the aggregate transaction amount under the Master Concessionaire Counter Agreement amounted to approximately RMB17,115,000 (2025: approximately RMB20,461,000).

As NWD is a substantial shareholder of the Company and hence a connected person of the Company. CTFJ is a fellow subsidiary of Chow Tai Fook Enterprises Limited (“CTFE” and together with its subsidiaries “CTFE Group”) which is a substantial shareholder of NWD. CTFJ is therefore a connected person of NWD and also considered to be a connected person of the Company. Accordingly, the entering into of the Master Concessionaire Counter Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.

The Master Concessionaire Counter Agreement was terminated on 30 June 2026. With effect from 1 July 2026, the transactions under the Master Concessionaire Counter Agreement are governed by the 2026 Master Collaboration Services Agreement (as disclosed hereinafter).



CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

3. Master Services Agreement

On 10 April 2017, Mr. Doo Wai-hoi ("Mr. Doo") who is a director of NWD and the Company entered into the master services agreement (the "2017 Master Services Agreement") in relation to all existing and future transactions between members of the Group and members of Mr. Doo and his immediate family members and their controlled companies (the "Services Group") regarding the provision of contracting services, cleaning and landscaping services, property management and rental services, and such other types of services as the parties may agree upon from time to time in writing (the "Services Transactions") by members of the Services Group to members of the Group, and vice versa contemplated under the 2017 Master Services Agreement. Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the 2017 Master Services Agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with the 2017 Master Leasing Agreement.

On 28 April 2023, Mr. Doo and the Company entered into a master services agreement in relation to the Services Transactions (the "2023 Master Services Agreement") and agreed to terminate the 2017 Master Services Agreement upon the Master Services Agreement becoming effective on 1 July 2023. The Master Services Agreement shall continue to be effective up to and including 30 June 2026, subject to the annual caps not exceeding RMB71,000,000, RMB130,000,000 and RMB80,000,000 respectively (collectively, the "Services Annual Caps"). Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the 2023 Master Services Agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with the 2023 Master Services Agreement. The entering into of the 2023 Master Services Agreement, the Services Transactions and the Services Annual Caps were approved at the 2023 EGM.

During the year ended 30 June 2026, the aggregate transaction amount under the 2023 Master Services Agreement amounted to approximately RMB741,000 (2025: approximately RMB126,000).

On 24 April 2026, the Company and Mr. Doo entered into a new master services agreement (the "2026 Master Services Agreement") in relation to the Services Transactions for a term of three years, commencing from 1 July 2026 to 30 June 2029 and agreed to terminate the 2023 Master Services Agreement upon the effective date of the 2026 Master Services Agreement. Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the 2026 Master Services Agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with the 2026 Master Services Agreement. The 2026 Master Services Agreement, the transactions contemplated thereunder and the relevant annual caps set for each of the three financial years ending 30 June 2029 were approved by the independent shareholders at the 2026 EGM. Please refer to the announcement of the Company dated 24 April 2026 and the circular of the Company dated 4 June 2026 for details.

As Mr. Doo is the brother-in-law of Dr. Cheng Kar-shun, Henry (a director of the Company) and hence Mr. Doo and the Services Group are connected persons of the Company under the Listing Rules. Accordingly, the entering into of the 2026 Master Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

4. Master Collaboration Services Agreement

On 28 April 2023, the Company and CTFE entered into a master collaboration services agreement (the “2023 Master Collaboration Services Agreement”) in relation to all existing and future transactions between members of the Group and members of the CTFE Group in respect of the provision of advertising, branding, marketing, loyalty and rewards program and promotion-related services, and such other types of services as CTFE and the Company may agree upon from time to time in writing (the “Collaboration Services Transactions”) under the 2023 Master Collaboration Service Agreement. The 2023 Master Collaboration Services Agreement shall continue to be effective up to and including 30 June 2026, subject to the annual caps for the amounts payable by the Group to the CTFE Group, and vice versa, not exceeding RMB3,200,000, RMB3,400,000 and RMB3,600,000 respectively (collectively, the “Collaboration Services Annual Caps”). Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the 2023 Master Collaboration Services Agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with the 2023 Master Collaboration Services Agreement. The entering into of the 2023 Master Collaboration Services Agreement, the Collaboration Services Transactions and the Collaboration Services Annual Caps were approved at the 2023 EGM.

During the year ended 30 June 2026, the aggregate transaction amount paid by the Group to the CTFE Group, and vice versa, under the 2023 Master Collaboration Services Agreement amounted to approximately RMB855,000 (2025: approximately RMB1,979,000).

On 24 April 2026, the Company and CTFE entered into a new master collaboration services agreement (the “2026 Master Collaboration Services Agreement”) in relation to the provision of the General Services and Concessionaire and Rental Services (as defined in the announcement of the Company dated 24 April 2026) between the Group and the CTFE Group for a term of three years, commencing from 1 July 2026 to 30 June 2029 and agreed to terminate the 2023 Master Collaboration Services Agreement upon the effective date of the 2026 Master Collaboration Services Agreement. Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the 2026 Master Collaboration Services Agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with the 2026 Master Collaboration Services Agreement. The 2026 Master Collaboration Services Agreement, the transactions contemplated thereunder and the relevant annual caps set for each of the three financial years ending 30 June 2029 were approved by the independent shareholders at the 2026 EGM. Please refer to the announcement of the Company dated 24 April 2026 and the circular of the Company dated 4 June 2026 for details.

As NWD is a substantial shareholder of the Company, it is a connected person of the Company. CTFE is a substantial shareholder of NWD, CTFE is therefore considered to be a connected person of the Company. Accordingly, the entering into of the 2026 Master Collaboration Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.



CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

The price and terms of the continuing connected transactions set out in paragraphs 1 to 4 above were determined in accordance with the pricing policies and guidelines as set out in the relevant announcements and circular of the Company. These continuing connected transactions have been reviewed by the Independent Non-executive Directors who have confirmed that the transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better to the Group;
- (iii) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and
- (iv) within the caps as set out in the relevant announcements and circular.

The Company's external auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The external auditor of the Company has issued an unqualified letter to the Board containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this annual report in accordance with Rule 14A.56 of the Listing Rules.

The Directors confirmed that the Company has complied with the applicable requirements under the Listing Rules regarding the connected transactions and continuing connected transactions.

Save as disclosed above, the significant related party transactions, including transactions which constituted exempted or non-exempted connected transactions and continuing connected transactions of the Company under the Listing Rules during the year are set out in note 38 to the consolidated financial statements. The Company has complied with the applicable requirements under Chapter 14A of the Listing Rules.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed "Directors' Interests in Shares, Underlying Shares and Debentures" below, at no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or any of their spouse or children under 18 years old to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which they had, or were deemed or taken to have 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:

(a) Long positions in shares

Name	Nature of interest	Number of shares held	Approximate percentage of shareholding as at 30 June 2026
The Company			
(Ordinary shares)			
Ms. Woo Yuk-kwan Rebecca ⁽¹⁾	Personal interest	1,000	0.00%
Mr. Lau Fu-keung	Personal interest	1,000	0.00%
Ms. Xie Hui-fang, Mandy ⁽²⁾	Personal interest	177,000	0.01%
NWD			
(Ordinary shares)			
Dr. Cheng Kar-shun, Henry ⁽³⁾	Personal interest	5,168,909	0.21%
Ms. Chiu Wai-han, Jenny	Personal interest	29,899	0.00%
Mr. Lau Fu-keung	Personal interest	1,000	0.00%

Notes:

(1) Appointed as an Executive Director on 1 April 2026.

(2) Resigned as an Executive Director on 14 February 2026.

(3) Appointed as the Chairman and an Executive Director on 9 January 2026.

(b) Long positions in debentures

NWD (MTN) Limited ("NWD (MTN)")

Name	Amount of debentures issued by NWD (MTN)		Approximate percentage to the total amount of debentures in issue as at 30 June 2026
	Personal interests HK\$	Total HK\$	
Mr. Chan Yiu-ho	1,000,000	1,000,000	0.00%

Note:

These debentures were issued in US\$ and had been translated into HK\$ using the rate of US\$1.0 = HK\$7.8.

Save as disclosed above, as at 30 June 2026, none of the Directors had, or were deemed or taken to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (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.



SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2026, the following persons (other than the Directors or chief executive of the Company) had, or were deemed or taken to have, 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 30 June 2026
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited ("CYTFH") ⁽¹⁾	–	1,264,400,000	1,264,400,000	74.99%
Cheng Yu Tung Family (Holdings II) Limited ("CYTFH-II") ⁽²⁾	–	1,264,400,000	1,264,400,000	74.99%
Chow Tai Fook Capital Limited ("CTFC") ⁽³⁾	–	1,264,400,000	1,264,400,000	74.99%
Chow Tai Fook (Holding) Limited ("CTFH") ⁽⁴⁾	–	1,264,400,000	1,264,400,000	74.99%
CTFE ⁽⁵⁾	–	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 90.52% 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 had 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 30 June 2026, had, or were deemed or taken to have, 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.

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 2023 EGM.

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 the year ended 30 June 2026, no options had been granted or agreed to be granted by the Company. Accordingly, no options had been exercised, cancelled or lapsed under the Scheme.

The number of options available for grant under the Scheme mandate limit as at 1 July 2025 and 30 June 2026 was 168,614,500 and 168,614,500, respectively.

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 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 (excluding treasury shares) as at the date of this annual report	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 (excluding treasury shares) as at the date of this annual report.
Maximum entitlement of each participant under the Scheme	Unless otherwise approved by the shareholders of the Company 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").



SHARE OPTION SCHEME (CONTINUED)

Vesting period	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. 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: (a) Grants of “make-whole” share options to new joiners to replace the share option or awards they forfeited when leaving the previous employers; (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; (c) Grants of share options that are made in batches during a year for administrative and compliance reasons; (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 (e) Grants of share options with a total vesting and holding period of more than 12 months.
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	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.
The basis of determining the exercise price	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.
The remaining life of the Scheme	The Scheme shall be valid and effective for a period of ten years commencing from the date of adoption, being 26 June 2023.

EMPLOYEES, REMUNERATION POLICY AND PENSION SCHEME

As at 30 June 2026, the total number of employees of the Group was 1,349 (2025: 1,599). 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.

ACQUISITION AND DISPOSAL

The Group did not have any significant acquisition and disposal during the year ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 30 June 2026, 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).

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total issued Shares, being the minimum prescribed percentage of public float required under the Listing Rules, was held by the public at all times during the year ended 30 June 2026.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 30 June 2026, approximately 20% of the Group's total purchases were attributable to its largest direct sales supplier, while approximately 49% of the Group's total purchases were attributable to its five largest direct sales suppliers. In addition, approximately 2% of the Group's revenue was attributable to its largest customer, while approximately 5% of the Group's revenue was attributable to its five largest customers.

None of the Directors, their associates or shareholders of the Company who, to the knowledge of the Directors, owned more than 5% of the number of issued shares of the Company (excluding treasury shares) had any interest in any of the five largest suppliers or customers of the Group during the year.

AUDITOR

The consolidated financial statements of the Company for the year ended 30 June 2026 have been audited by PricewaterhouseCoopers, who will retire at the 2026 AGM and, being eligible, offer themselves for re-appointment as auditor of the Company.

On behalf of the Board

Ms. Woo Yuk-kwan Rebecca

Executive Director and Chief Executive Officer

Hong Kong, China, 30 September 2026



INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

TO THE SHAREHOLDERS OF NEW WORLD DEPARTMENT STORE CHINA LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of New World Department Store China Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 130 to 203, comprise:

- the consolidated statement of financial position as at 30 June 2026;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Impairment of property, plant and equipment, right-of-use assets and goodwill
- Valuation of investment properties

Key Audit Matter

How our audit addressed the Key Audit Matter

Impairment of property, plant and equipment, right-of-use assets and goodwill

Refer to Notes 4, 16, 17, 18 and 19 to the consolidated financial statements.

As at 30 June 2026, the Group had property, plant and equipment, right-of-use assets and goodwill of approximately HK\$591 million, HK\$1,634 million and HK\$567 million, respectively. For the year ended 30 June 2026, a provision for impairment loss on goodwill of approximately HK\$391 million and a provision for impairment loss on property, plant and equipment and right-of-use assets of approximately HK\$8 million was recognised in the consolidated income statement.

Management has performed impairment assessments of property, plant and equipment, right-of-use assets and goodwill allocated to each of the relevant cash generating units ("CGUs"), by applying the discounted cash flow model (for those CGUs with primarily department store operations) or by reference to the valuation of the underlying properties of the related CGUs performed by independent external professional valuers (for those CGUs with primarily property investment operations or the planned operations of which have not yet been commenced).

We focus on this area because the impairment assessments required significant management's judgement and estimates with respect to the annual gross revenue growth rates, gross margin ratios and discount rate as applied in the discounted cash flow model; and the capitalisation rates, prevailing market rents and estimated transaction costs of disposal as applied in the valuation of the underlying properties of the related CGUs.

Our procedures in relation to impairment assessments of property, plant and equipment, right-of-use assets and goodwill, included:

- We understood management's processes in relation to the preparation of impairment assessments and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity and management bias;
- We evaluated the appropriateness of the rationale and criteria as adopted by management in the identification of impairment indicators for the purpose of impairment assessments of property, plant and equipment and right-of-use assets;
- For impairment assessments where discounted cash flow model was adopted:
 - We evaluated the outcome of prior period assessment of management's forecast to assess the effectiveness of management's estimation process;
 - We evaluated the appropriateness of the discounted cash flow model used by management to estimate the respective recoverable amounts of the related CGUs and involved our in-house valuation experts as and when necessary;
 - We assessed the reasonableness of the key assumptions used in the impairment assessments including the annual gross revenue growth rates, gross margin ratios and discount rate by considering the business plans or approved budget of the respective CGUs and the market data or information as obtained from our independent research; and
 - We tested, on a sample basis, the key data input in the discounted cash flow calculations to the relevant supporting evidence.



KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of property, plant and equipment, right-of-use assets and goodwill (continued)	• For impairment assessments by reference to the independent external valuation of the underlying properties of the related CGUs: • We assessed the competence, capabilities and objectivity of independent external professional valuer; • We obtained the valuation reports and discussed with the independent external professional valuer on the valuation methodology and key assumptions as adopted in the valuation; • We evaluated the valuation methodology and assessed the reasonableness of the key assumptions including the capitalisation rates, prevailing market rents and estimated transaction costs of disposal as adopted in the valuation by considering the market data of properties in comparable locations obtained from our independent research and other relevant supporting information; and • We tested, on a sample basis, the key data used in the valuation of the underlying properties, including rental rates from existing tenancies by agreeing them to the underlying rental agreements. • We evaluated management's sensitivity analysis on the key assumptions used in the impairment assessments to assess the potential impacts as arising from the reasonably possible changes in these key assumptions; and • We assessed the adequacy of the disclosures relating to impairment of property, plant and equipment, right-of-use assets and goodwill in the context of applicable financial reporting standards.

Based on the procedures performed, we found the management's judgement and estimates used in the impairment assessments of property, plant and equipment, right-of-use assets and goodwill to be supportable based on available evidence.

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties	
Refer to Notes 4 and 15 to the consolidated financial statements. The Group's investment properties carried at fair values amounted to approximately HK\$4,736 million as at 30 June 2026. A net fair value loss on investment properties of approximately HK\$525 million was recognised in the consolidated income statement for the year then ended. Management has engaged independent external professional valuers to perform valuation on all of the Group's investment properties. We focus on this area because the valuation of investment properties involves significant management's judgement and estimates with respect to certain key parameters including the capitalisation rates and prevailing market rents as applied in the valuation of the investment properties.	Our procedures in relation to management's valuation of investment properties included: • We understood the management's processes in the valuation of investment properties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as subjectivity and management bias; • We assessed the competence, capabilities and objectivity of independent external professional valuers; • We obtained the valuation reports and discussed with the independent external professional valuers on the valuation methodology and key assumptions as adopted in the valuation; • We evaluated the valuation methodology and assessed the reasonableness of the key assumptions including the capitalisation rates and prevailing market rents used in the valuation of investment properties by considering the market data of properties in comparable locations obtained from our independent research and other relevant supporting information. We have also involved our in-house valuation expert on the valuation of the major investment properties as and when necessary; • We tested, on a sample basis, the key data used in the valuation of investment properties, including rental rates from existing tenancies by agreeing them to the underlying rental agreements; and • We assessed the adequacy of the disclosures relating to valuation of investment properties in the context of applicable financial reporting standards. Based on the procedures performed, we found the management's judgement and estimates used in the valuation of investment properties to be supportable based on available evidence.



OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee of the Company is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We also provide the Audit Committee of the Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee of the Company, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is WONG, Cheuk Kay (practising certificate number: P05656).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 September 2026

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2026

	Note	2026 HK\$'000	2025 HK\$'000
Revenue	5	1,062,858	1,182,844
Other income	6	220,981	337,520
Other losses, net	7	(372,735)	(88,659)
Changes in fair value of investment properties	15	(524,864)	97,210
Purchases of and changes in inventories, net		(217,478)	(247,553)
Purchases of promotion items		(3,869)	(7,378)
Employee benefit expense	8	(327,905)	(324,281)
Depreciation		(311,818)	(324,924)
Rental expense		(44,521)	(59,838)
Other operating expenses, net	10	(209,152)	(276,681)
Operating (loss)/profit		(728,503)	288,260
Finance income		6,277	13,784
Finance costs		(135,732)	(176,218)
Finance costs, net	11	(129,455)	(162,434)
(Loss)/profit before income tax		(857,958)	125,826
Income tax credit/(expense)	12	81,866	(100,541)
(Loss)/profit for the year		(776,092)	25,285
(Loss)/earnings per share attributable to shareholders of the Company			
(expressed in HK\$ per share)			
– Basic and diluted	14	(0.460)	0.015

The notes on pages 138 to 203 are an integral part of these consolidated financial statements.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2026

	2026 HK\$'000	2025 HK\$'000
(Loss)/profit for the year	(776,092)	25,285
Other comprehensive income		
<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	51,809	22,809
– Deferred income tax thereof	(12,952)	(5,702)
	38,857	17,107
<i>Items that may be reclassified subsequently to profit or loss</i>		
Translation differences	157,005	74,963
Release of exchange reserve upon deregistration of subsidiaries	(2,147)	8,272
	154,858	83,235
Other comprehensive income for the year, net of tax	193,715	100,342
Total comprehensive (loss)/income for the year	(582,377)	125,627

The notes on pages 138 to 203 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	2026 HK\$'000	2025 HK\$'000
Assets			
Non-current assets			
Investment properties	15	4,736,118	4,865,532
Property, plant and equipment	16	591,236	654,703
Right-of-use assets	17	1,634,072	1,956,981
Intangible assets	19	566,915	922,946
Interest in an associated company	20	–	–
Prepayments, deposits and other receivables	21	113,884	145,871
Finance lease receivables	22	127,665	173,657
Financial assets at fair value through profit or loss	23	78,609	89,821
Deferred income tax assets	24	97,538	88,291
		7,946,037	8,897,802
Current assets			
Inventories	25	38,893	50,531
Debtors	26	10,307	13,699
Prepayments, deposits and other receivables	21	110,587	98,322
Finance lease receivables	22	73,554	105,491
Amounts due from fellow subsidiaries	27	1,218	839
Fixed deposits with original maturity over three months	28	16,578	268,444
Cash and bank balances	29	396,423	474,745
		647,560	1,012,071
Total assets		8,593,597	9,909,873
Equity and liabilities			
Equity			
Share capital	30	168,615	168,615
Reserves	31	2,754,757	3,337,134
Total equity		2,923,372	3,505,749



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	2026 HK\$'000	2025 HK\$'000
Liabilities			
Non-current liabilities			
Lease liabilities	32	1,499,732	1,868,454
Borrowings	33	814,535	694,755
Deferred income tax liabilities	24	872,107	909,671
		3,186,374	3,472,880
Current liabilities			
Creditors	34	300,611	402,900
Accruals and other payables	34	985,808	1,001,390
Lease liabilities	32	389,381	463,178
Contract liabilities	35	112,249	113,173
Amounts due to fellow subsidiaries	27	6,483	11,337
Amounts due to related companies	27	29,251	54,581
Amounts due to the ultimate holding company	27	105,643	105,900
Borrowings	33	549,153	704,908
Tax payable		5,272	73,877
		2,483,851	2,931,244
Total liabilities		5,670,225	6,404,124
Total equity and liabilities		8,593,597	9,909,873

The consolidated financial statements on pages 130 to 203 were approved by the Board of Directors of the Company on 30 September 2026 and were signed on its behalf by:

Ms. Woo Yuk-kwan Rebecca
Director

Mr. Lau Fu-keung
Director

The notes on pages 138 to 203 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	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 2025	168,615	1,826,646	393,998	391,588	551,091	(157,207)	331,018	3,505,749
Loss for the year	-	-	-	-	-	-	(776,092)	(776,092)
Other comprehensive income/(loss)								
Revaluation of properties upon reclassification from property, plant and equipment and right-of-use assets to investment properties	-	-	51,809	-	-	-	-	51,809
– Deferred income tax thereof	-	-	(12,952)	-	-	-	-	(12,952)
Translation differences	-	-	-	-	-	157,005	-	157,005
Release of exchange reserve upon deregistration of subsidiaries	-	-	-	-	-	(2,147)	-	(2,147)
Total comprehensive income/(loss) for the year	-	-	38,857	-	-	154,858	(776,092)	(582,377)
Transactions with owners								
Appropriation of statutory reserve	-	-	-	-	18,156	-	(18,156)	-
Release of statutory reserve upon deregistration of subsidiaries	-	-	-	-	(5,587)	-	5,587	-
Total transactions with owners	-	-	-	-	12,569	-	(12,569)	-
As at 30 June 2026	168,615	1,826,646	432,855	391,588	563,660	(2,349)	(457,643)	2,923,372



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	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 year	–	–	–	–	–	–	25,285	25,285
Other comprehensive income								
Revaluation of properties upon reclassification from property, plant and equipment and right-of-use assets to investment properties	–	–	22,809	–	–	–	–	22,809
– Deferred income tax thereof	–	–	(5,702)	–	–	–	–	(5,702)
Translation differences	–	–	–	–	–	74,963	–	74,963
Release of exchange reserve upon deregistration of subsidiaries	–	–	–	–	–	8,272	–	8,272
Total comprehensive income for the year	–	–	17,107	–	–	83,235	25,285	125,627
Transactions with owners								
Appropriation of statutory reserve	–	–	–	–	6,164	–	(6,164)	–
Release of statutory reserve upon deregistration of subsidiaries	–	–	–	–	(4,458)	–	4,458	–
Total transactions with owners	–	–	–	–	1,706	–	(1,706)	–
As at 30 June 2025	168,615	1,826,646	393,998	391,588	551,091	(157,207)	331,018	3,505,749

The notes on pages 138 to 203 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Note	2026 HK\$'000	2025 HK\$'000
Cash flows from operating activities			
(Loss)/profit before income tax		(857,958)	125,826
Adjustments for:			
– Interest income from finance leases as the lessor		(11,235)	(13,417)
– Finance income		(6,277)	(13,784)
– Finance costs		135,732	176,218
– Changes in fair value of investment properties		524,864	(97,210)
– Depreciation of property, plant and equipment		78,926	88,652
– Depreciation of right-of-use assets		232,892	236,272
– Impairment loss on goodwill		390,502	110,060
– Impairment loss on property, plant and equipment and right-of-use assets		7,595	727
– Fair value loss/(gain) on financial assets at fair value through profit or loss, net		15,352	(2,640)
– (Gain)/loss on deregistration of subsidiaries		(2,149)	8,273
– (Gain)/loss on disposal of property, plant and equipment, net		(68)	187
– Gain on derecognition of lease liabilities and right-of-use assets, net		(23,353)	(13,170)
– Gain on derecognition of right-of-use assets, net		(29,619)	(45,531)
– Loss on derecognition of finance lease receivables, net		7,682	19,807
– Loss on lease modification of finance lease receivables, net		6,793	10,946
– Provision/(reversal) of loss allowance on debtors		2,958	(3,509)
– Provision/(reversal) of loss allowance on other receivables		4	(136)
– Reversal of compensation expenses		(32,171)	(48,546)
– Reversal of write-down of inventories, net		–	(403)
– Net foreign exchange difference		(65,646)	(30,295)
Operating profit before working capital changes		374,824	508,327
Changes in:			
Inventories		13,788	14,771
Debtors		1,463	10,312
Prepayments, deposits and other receivables		14,349	22,133
Restricted bank balances		(4,497)	–
Creditors		(119,117)	(49,222)
Accruals and other payables		(28,235)	(116,654)
Contract liabilities		(6,584)	(11,593)
Net balance with fellow subsidiaries		(5,586)	3,368
Net balance with related companies		(27,225)	13,795
Net balance with the ultimate holding company		856	(2,578)
Cash generated from operations		214,036	392,659
Chinese Mainland tax paid		(87,647)	(29,413)
Net cash from operating activities		126,389	363,246



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Note	2026 HK\$'000	2025 HK\$'000
Cash flows from investing activities			
Additions to investment properties		(4,807)	(58,097)
Additions to property, plant and equipment		(55,629)	(12,762)
Proceeds from disposal of property, plant and equipment		836	74
Placement of fixed deposits with original maturity over three months		(16,022)	(385,091)
Withdrawal of fixed deposits with original maturity over three months		272,943	428,499
Principal portion of finance lease received as the lessor		126,726	109,641
Interest portion of finance lease received as the lessor		11,235	13,417
Interest received		22,806	22,598
Net cash from investing activities		358,088	118,279
Cash flows from financing activities			
Drawdown of bank borrowings	37	226,512	21,669
Repayment of bank borrowings	37	(22,275)	(57,416)
Repayment of shareholder loans	37	(250,000)	(30,000)
Principal portion of lease payments as the lessee	37	(421,576)	(378,277)
Interest portion of lease payments as the lessee	37	(84,570)	(107,616)
Finance costs paid	37	(36,050)	(36,154)
Net cash used in financing activities		(587,959)	(587,794)
Net decrease in cash and cash equivalents		(103,482)	(106,269)
Cash and cash equivalents at beginning of the year		474,745	569,643
Effect of foreign exchange rate changes		20,663	11,371
Cash and cash equivalents at end of the year	29	391,926	474,745

The notes on pages 138 to 203 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 the Chinese Mainland.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 12 July 2007.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 30 September 2026.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements for the year ended 30 June 2026 have been prepared in accordance with HKFRS Accounting Standards (“HKFRS”) as issued by the Hong Kong Institute of Certified Public Accountants.

HKFRS comprise the following authoritative literature:

- HKFRS Accounting Standards,
- Hong Kong Accounting Standards, and
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets at fair value through profit or loss which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

As at 30 June 2026, the Group had net current liabilities of approximately HK\$1,836,291,000 and the Group’s current liabilities included the shareholder loan due to the ultimate holding company, New World Development Company Limited (“NWD”), of approximately HK\$433,000,000, other amounts due to NWD of approximately HK\$276,321,000 and current portion of secured bank loans of approximately HK\$116,153,000.



2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

The directors of the Company (the “Directors”) have reviewed the Group’s cash flow projections, which cover a period of not less than twelve months from the end of the reporting period, and have considered available information, among others, internally generated funds and the financial resources (as described below) available to the Group in assessing the going concern basis in the preparation of the consolidated financial statements.

The Group’s shareholder loan from NWD will mature in June 2027 and NWD has confirmed its intention to renew the shareholder loan for another 12 months upon its maturity and to continue to act as guarantor of the Group’s borrowings of approximately HK\$696,320,000 till their maturities in June 2028 and to provide the required security for these bank borrowings. In addition, NWD has also confirmed that it will not request for the Group’s repayment of the abovementioned other amounts due to NWD within the next twelve months from 30 June 2026 until the Group is in a position to repay.

The Directors, having made all necessary enquiries with the directors of NWD regarding NWD’s ability to continue to provide the shareholder loan and not to request for repayment of the other amounts due to it; to act as the guarantor and to provide the required security for the Group’s borrowings; to continue to comply with its loan covenants in the foreseeable future and to closely monitor its compliance under its established measures and mechanism and to timely notify the Group of any subsequent unfavourable changes, are satisfied and confident that NWD is able to provide the Group with all the financial resources described above.

In addition, subsequent to the end of the reporting period, the Group extended the maturity of its existing secured revolving banking facilities of approximately HK\$728,324,000 from December 2026 to August 2028, allowing the secured bank loans of approximately HK\$116,153,000 classified as current liabilities as at 30 June 2026 to be redrawn upon repayment at their original maturity.

The Directors are of the opinion that, taking into account the anticipated cash flows generated from the Group’s operations; the successful renewal of the shareholder loan; the continuing availability of other amounts due to NWD; the continued availability of the Group’s existing bank borrowings and banking facilities; and other abovementioned factors and considerations, the Group will have adequate resources to continue its operations for the foreseeable future and to meet with its financial obligations as and when they fall due in the next 12 months from 30 June 2026.

Accordingly, the Directors consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

(a) Adoption of amendments to standards

In the current year, the Group has adopted the following amendments to standards, which are mandatory for the financial year ended 30 June 2026:

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability

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

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(b) New and amended standards, interpretation and annual improvements which are not yet effective

The following new and amended standards, interpretation and annual improvements which are not yet effective are mandatory for the accounting periods beginning on or after 1 July 2026 or later periods which the Group has not early adopted:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to Contracts Referencing Nature-dependent Electricity ¹
Annual Improvement Project	Annual Improvement to HKFRS Accounting Standards – Volume 11 ¹
HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to HKFRS 19	Amendments to Subsidiaries without Public Accountability: Disclosures ²
Amendments to HKAS 21	Amendments to Translation to a Hyperinflationary Presentation Currency ²
Amendments to Hong Kong Interpretation 5	Amendments to Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²
HKFRS 20	Regulatory Assets and Regulatory Liabilities ³
Amendments to HKFRS 10 and HKAS 28	Amendments to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ To be applied by the Group from 1 July 2026.

² To be applied by the Group from 1 July 2027.

³ To be applied by the Group from 1 July 2029.

⁴ The effective date is to be determined.

The Group has already commenced an assessment of the impact of the new and amended standards, interpretation and annual improvements, certain of which may give rise to changes in accounting policies, changes in disclosures and remeasurement of certain items in the consolidated financial statements. Based on preliminary assessment, except for HKFRS 18 which may have impact to the presentation of consolidated financial statements for the year ending 30 June 2028, the Group does not expect that new standards and amendments would have any impact to the Group's consolidated financial statements. The Group will adopt these new and amended standards, interpretation and annual improvements from their respective effective dates.



2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset acquired or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKFRS 9 in consolidated income statement. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment (if any). Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

2.3 Investment properties

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Investment property is initially measured at cost, including related transaction costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by independent professional valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated income statement.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Investment properties (continued)

If a property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this property at the date of transfer is recognised in equity as a revaluation of property, plant and equipment and right-of-use assets. However, if the fair value of the property at the date of transfer which results in a reversal of the previous impairment loss, the write-back is recognised in the consolidated income statement.

2.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	20 to 40 years
Plant and machinery	5 years
Motor vehicles	5 years
Leasehold improvements	Shorter of remaining lease term or useful life of 2 to 15 years
Furniture and fixtures	3 to 5 years
Office equipment	2 to 5 years
Computer	2 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets under construction represents buildings or leasehold improvements on which construction work has not been completed and computer under installation. It is carried at cost which includes construction expenditures and other direct costs less any impairment losses. On completion, assets under construction is transferred to the appropriate categories of property, plant and equipment at cost less accumulated impairment losses (if any). No depreciation is provided for assets until they are ready and available for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.6).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other losses, net' in the consolidated income statement.



2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity in the acquiree over the fair value of the identifiable net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.6 Impairment of investments in subsidiaries, interest in an associated company and non-financial assets

Intangible assets that have an indefinite useful life, for example goodwill, or have not yet been available for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount. An impairment loss is recognised in the consolidated income statement for the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Impairment testing of the investments in subsidiaries or interest in an associated company is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary or an associated company in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.7 Investments and other financial assets

(a) Classification

Debt instruments

HKFRS 9 has three financial asset classification categories for investments in debt instruments:

- those to be measured at amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Investments and other financial assets (continued)

(a) Classification (continued)

Debt instruments (continued)

Classification is driven by the Group's business model for managing the debt instrument and the debt instrument's contractual cash flow characteristics.

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model with the objective of collecting the contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Group classifies its financial assets as at FVOCI only if both of the following criteria are met:

- the objective of the Group's business model is to hold the asset to collect the contractual cash flows and to sell financial assets; and
- the contractual terms of the debt instrument give rise to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL.

Finance lease receivables, debtors, deposits and other receivables, amounts due from fellow subsidiaries and related companies, fixed deposits with original maturity over three months, cash and bank balances are classified as financial assets at amortised cost.

Equity instruments

Investments in equity instruments are measured at fair value. Equity instruments that are held for trading are measured at FVPL.

(b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the consolidated income statement.

Financial assets measured at amortised cost

Gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship is recognised in the consolidated income statement when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

FVPL

Changes in the fair value on financial assets at FVPL are recognised in the consolidated income statement as 'other gains/(losses), net' as applicable.



2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Impairment of financial assets

The Group's financial assets measured at amortised cost are subject to expected credit loss model under HKFRS 9.

For debtors and finance lease receivables, the Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which requires the use of the lifetime expected loss provision.

For all other instruments, the Group measures the loss allowance equal to 12-month expected credit loss, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime expected credit loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3.1(b) details how the Group determines whether there has been a significant increase in credit risk.

2.9 Debtors and other receivables

Debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business, or lessees. If collection of debtors and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Debtors and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components when they are recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (if any).

2.10 Inventories

Inventories comprise finished goods and are stated at the lower of cost and net realisable value. Cost is mainly calculated on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturity of three months or less.

2.12 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Creditors and other payables

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Creditors and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

2.15 Borrowings costs

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the construction period when the asset is being prepared for its intended use. Other borrowing costs are expensed as incurred.

2.16 Current and deferred income tax

The tax expense or credit for the period comprises current and deferred income tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company, its subsidiaries and associated company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.



2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Current and deferred income tax (continued)

(ii) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that sufficient future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated company, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(iii) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leaves are recognised when they accrue to employees. Provisions are made for the estimated liability for annual leaves as a result of services rendered by employees up to the end of the reporting period.

(ii) Pension obligations

The Group makes contributions to defined contribution retirement schemes under the Mandatory Provident Fund Schemes Ordinance and the Occupational Retirement Scheme Ordinance in Hong Kong, the assets of which are generally held in separate trustee administered funds. The pension plans are generally funded by payments from employees and by the Group. The Group's contributions to the defined contribution retirement schemes are expensed as incurred. Contributions are reduced by contribution forfeited by those employees who leave the schemes prior to vesting fully in the contributions, where applicable.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Employee benefits (continued)

(ii) Pension obligations (continued)

The Group also contributes to employee retirement schemes established by municipal governments in the Chinese Mainland. The municipal governments undertake to assume the retirement benefit obligations of all existing and future retired employees of the Group. Contributions to these schemes are charged to the consolidated income statement as incurred. The Group has no further payment obligation once the contributions have been paid.

(iii) Bonus plans

Provisions for bonus plan due wholly within twelve months after the end of the reporting period are recognised where contractually obliged or where there is a past practice that has created a constructive obligation.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates:

- (a) when the Group can no longer withdraw the offer of those benefits; and
- (b) when the Group recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits.

2.18 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability, other than that assumed in a business combination, is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.



2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Provisions, contingent liabilities and contingent assets (continued)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.19 Revenue and income recognition

Revenue is recognised when or as the control of the good or service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good or service may be transferred over time or at a point in time. Control of the good or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the good or service transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the good or service.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- direct measurements of the value transferred by the Group to the customer relative to the remaining goods or services promised under the contract; or
- the Group's efforts or inputs to the satisfaction of the performance obligation relative to the total expected inputs.

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent). The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer. The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises income in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by other party.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.19 Revenue and income recognition (continued)

Commission income from concessionaire sales is recognised upon sales of goods by the relevant stores. The Group acts as an agent for concessionaires as the Group does not control the specific goods provided by the concessionaires before goods are transferred to the customers.

Revenue from sales of goods to retail customers is recognised when the product is transferred to the customers upon sale. Payment of the transaction price is due immediately when the customers purchase the good. The payment is usually settled in cash, using credit cards or by means of electronic payments. It is the Group's policy to sell its products to the customers with a right of return within a reasonable period.

Rental income is recognised on a straight-line accrual basis over the terms of lease agreements.

Other income from suppliers, concessionaires and tenants is recognised when services are rendered.

Interest income is recognised on a time proportion basis using effective interest method.

Dividend income is recognised when the right to receive payment is established.

The Group operates a loyalty programme where customers accumulate points for purchases made which entitle them to discounts on future purchases. Revenue is allocated between the good or service sold and the award points, taking into consideration the fair value of the award points to the customer. A contract liability for the award points is recognised at the time of sale. Revenue is recognised when the points are redeemed or when they expire 12 months after the initial sale. A contract liability is recognised until the points are redeemed or expired.

Payments received in advance that are related to sales of goods not yet delivered are deferred in contract liabilities in the consolidated statement of financial position. Revenue is recognised when goods are delivered to the customers.

2.20 Government grants

Government grants are recognised at their fair values where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected useful lives of the related assets.



2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The functional currency of the Company is Renminbi (“RMB”). The consolidated financial statements are presented in HK\$, the Group’s presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Translation differences on financial assets and liabilities held at FVPL is reported as part of the fair value gain or loss. Translation differences on equity instruments at FVOCI is included in equity.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- (b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (c) all resulting currency translation differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in subsidiaries that have a functional currency different from the presentation currency are recognised in other comprehensive income. When a subsidiary is disposed, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (if applicable):

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following (if applicable):

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated income statement. Short-term leases are leases with a lease term of 12 months or less.



2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Leases (continued)

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounted for decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The Group recognises in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group accounts for the remeasurement of lease liabilities for all other modifications by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate standalone price of the non-lease components.

As an intermediate lessor, certain sub-leases are recognised as finance lease receivables at the present value of the minimum lease payments and the estimated unguaranteed residual value when the lease term is for the major part of the economic life of the underlying right-of-use asset even if title is not transferred. The corresponding right-of-use assets are derecognised. The interest income is recognised in the consolidated income statement over the sub-lease period.

Lease income from operating leases where the Group is a lessor is recognised in the consolidated income statement on a straight-line basis over the lease term. Initial direct costs incurred in obtaining the operating lease are added to the carrying amount of the underlying asset and recognised as expenses over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated statement of financial position based on their nature.

2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or Directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

3.1 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.

(a) Foreign exchange risk

The Group is mainly exposed to foreign exchange risk arising from HK\$ and United States dollar ("USD") against RMB. This foreign exchange risk arises from future commercial transactions or recognised assets and liabilities denominated in a currency that is not the functional currencies of the Company and each of the subsidiaries. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures.

As at 30 June 2026, if HK\$ and USD had strengthened/weakened by 5% (2025: 5%) against the RMB with all other variables held constant, loss before income tax for the year would have been approximately HK\$65,369,000 higher/lower (2025: profit before income tax would have been HK\$77,035,000 lower/higher) mainly as a result of foreign exchange differences on translation of HK\$-denominated and USD-denominated financial assets at FVPL, bank balances, other receivables and payables, borrowings and balances with group companies of those group entities with RMB as the functional currency.

Foreign exchange risk as defined by HKFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency, differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

(b) Credit risk

The credit risk of the Group mainly arises from finance lease receivables, debtors, deposits and other receivables, amounts due from fellow subsidiaries, fixed deposits with original maturity over three months and cash and bank balances. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward looking information. The following indicators are generally incorporated:

- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparties' ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparties; and
- significant expected changes in the performance and behaviour of the counterparties, including changes in the payment status of counterparties in the group and changes in the operating results of the counterparties.



3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

A default on a financial asset is when the counterparties fail to make contractual payments when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery.

Fixed deposits with original maturity over three months and cash and bank balances placed in renowned, state owned or high credit-rated financial institutions are considered to be of low credit risk by referring to external credit rating of the related banks. No impairment had been provided under 12-month expected credit loss assessment.

For amounts due from fellow subsidiaries, management considers they do not have significant credit risk due to the past payment history and also taking into account of the sound financial performance and position of their holding companies/significant shareholders to meet contractual cash flow obligations in the near term. No impairment had been provided under 12-month expected credit loss assessment.

For deposits and other receivables, the balances mainly comprise of rental deposits. Management considers rental deposits do not have significant credit risk since the deposits are refundable from landlords upon end of lease term or recoverable by the Group through using the leased property. No significant impairment had been provided under 12-month expected credit loss assessment.

For debtors related to retail sales, which are settled by credit/debit cards and guaranteed by the card issuers, or by major means of electronic payment, no significant impairment allowance had been provided under life-time expected credit loss assessment. Management considered there was no history of default of the card issuers and financial institutions, and also took into account of Group's view of current and forecast economic conditions that may affect the ability of the debtors to settle receivables. No single customer accounted for more than 2% (2025: 2%) of the Group's total revenue during the year.

For finance lease receivables and debtors related to lease, the Group carries out regular review on these balances and follow-up action on any overdue amounts to minimise exposures to credit risk. The Group measures the loss allowance under lifetime expected credit loss assessment with reference to the historical credit loss experience with counterparties and ageing analysis, adjusted for forward looking factors specific to the counterparties and the economic environment. Management considers the lessee do not have significant credit risk due to the past payment history. Loss allowance of finance lease receivables of approximately HK\$22,000 (2025: reversal of loss allowance of HK\$342,000) had been made for the year ended 30 June 2026.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

The loss allowance for debtors related to leases as at 30 June 2026 was determined as follows:

	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	121-180 days past due	181-365 days past due	Past due over 1 year but less than 5 years	Past due over 5 years	Total
As at 30 June 2026									
Expected loss rate	1%	5%	7%	3%	21%	55%	100%	100%	
Gross carrying amount									
– debtors (HK\$'000)	2,436	469	375	187	843	656	2,905	1,499	9,370
Loss allowance (HK\$'000)	30	22	25	5	178	363	2,905	1,499	5,027
	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	121-180 days past due	181-365 days past due	Past due over 1 year but less than 5 years	Past due over 5 years	Total
As at 30 June 2025									
Expected loss rate	1%	2%	6%	20%	29%	44%	100%	100%	
Gross carrying amount									
– debtors (HK\$'000)	3,584	1,657	539	242	853	711	2,456	721	10,763
Loss allowance (HK\$'000)	41	36	34	48	244	316	2,456	721	3,896

No significant changes to the estimation techniques or significant assumptions were made during the year.



3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(c) Liquidity risk

The liquidity risk of the Group is managed by maintaining sufficient cash and cash equivalents, which is generated from the operating cash flows and financing cash flows.

As at 30 June 2026, the Group's current liabilities exceeded its current assets by approximately HK\$1,836,291,000 (2025: HK\$1,919,173,000). The Group will continue to monitor rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet its operational needs and to fulfil its liabilities and commitments as and when they fall due.

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 2 years HK\$'000	Over 2 years but within 5 years HK\$'000	More than 5 years HK\$'000
As at 30 June 2026						
Creditors	300,611	300,611	300,611	–	–	–
Other payables	735,754	735,754	735,754	–	–	–
Amounts due to fellow subsidiaries	6,483	6,483	6,483	–	–	–
Amounts due to related companies	29,251	29,251	29,251	–	–	–
Amounts due to the ultimate holding company	105,643	105,643	105,643	–	–	–
Borrowings	1,363,688	1,451,586	553,855	793,450	104,281	–
Lease liabilities	1,889,113	2,188,374	403,833	338,658	719,349	726,534

	Carrying amounts HK\$'000	Total contractual undiscounted cash flows HK\$'000	Within 1 year or on demand HK\$'000	Over 1 year but within 2 years HK\$'000	Over 2 years but within 5 years HK\$'000	More than 5 years HK\$'000
As at 30 June 2025						
Creditors	402,900	402,900	402,900	–	–	–
Other payables	773,838	773,838	773,838	–	–	–
Amounts due to fellow subsidiaries	11,337	11,337	11,337	–	–	–
Amounts due to related companies	54,581	54,581	54,581	–	–	–
Amounts due to the ultimate holding company	105,900	105,900	105,900	–	–	–
Borrowings	1,399,663	1,542,394	739,498	–	802,896	–
Lease liabilities	2,331,632	2,824,197	482,651	394,374	973,966	973,206

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(d) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing assets and liabilities. The Group's interest-bearing assets on a floating rate basis mainly include cash and bank balances, which will be affected by fluctuation of prevailing market interest rates and will expose the Group to cash flow interest rate risk. Borrowings obtained at floating rates with principal amount of approximately HK\$1,133,000,000 (2025: HK\$1,383,000,000) expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates with principal amount of approximately HK\$234,368,000 (2025: HK\$22,000,000) expose the Group to fair value interest rate risk. The Group's income and operating cash flows are substantially independent of changes in market interest rates. At the reporting date, management does not anticipate significant impact resulted from the changes in interest rates.

As at 30 June 2026, if interest rates on borrowings subject to floating rate had been 100 (2025: 100) basis points higher/lower with all other variables held constant, the Group's loss before income tax for the year would have been approximately HK\$11,330,000 higher/lower (2025: profit before income tax would have been HK\$13,830,000 lower/higher). The sensitivity analysis has been determined assuming that the change in interest rates had occurred throughout the year and had been applied to exposure to interest rate risk for financial instruments in existence at the end of the reporting period.

3.2 Capital risk management

The Group's objectives on managing capital are to finance its operations with its owned capital and to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

With regard to the maintenance and enhancement of capital structure, the Group regularly reviews and manages its capital structure and makes adjustments to it taking into consideration of changes in economic and market conditions, future capital requirements of the Group, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected investment opportunities.

The Group's strategy is to maintain a capital base competitive to industry's average to support the operations and development of its business.

The Group was in net debt position as at 30 June 2026 and 2025, taking into accounts its borrowings, cash and bank balances and fixed deposits with original maturity over three months.



3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 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 instrument 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 FVPL that is measured at fair value:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
As at 30 June 2026				
Financial assets at FVPL	–	–	78,609	78,609
As at 30 June 2025				
Financial assets at FVPL	–	–	89,821	89,821

The financial assets at FVPL are unlisted funds and their fair values are determined with reference to their attributable net asset values, representing the fair value of the funds reported by respective fund managers, being significant unobservable inputs. The fair value increases with the increase in the attributable net asset value and recent comparable transaction price, where available.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (continued)

The following table presents the changes in financial assets at FVPL in level 3 financial instruments:

	2026 HK\$'000	2025 HK\$'000
At beginning of the year	89,821	85,278
Translation differences	4,140	1,903
Fair value (loss)/gain	(15,352)	2,640
At end of the year	78,609	89,821

There were no significant transfer of financial assets and financial liabilities between level 1, level 2 and level 3 fair value hierarchy classification.

There were no changes in valuation techniques during the year.

3.4 Fair values of financial assets and liabilities measured at amortised cost

The fair values 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



4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Valuation of investment properties

The fair value of each investment property is individually determined at the end of each reporting period by independent professional valuers based on a market value assessment. The valuers have relied on the income approach. These methodologies are based upon estimates of future results and a set of assumptions specific to each property to reflect its tenancy and cash flow profile. The fair value of each investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. The details are set out in Note 15.

(b) Estimated useful lives and impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment are long-lived but may be subject to technical obsolescence. The annual depreciation charges are affected by the estimated useful lives that the Group allocates to each type of property, plant and equipment. Management performs annual reviews to assess the appropriateness of the estimated useful lives. Such reviews take into account the technological changes, prospective economic utilisation and physical condition of the assets concerned.

Management also regularly reviews whether there are any indications of impairment and will recognise an impairment loss if the carrying amount of cash-generating unit is higher than its recoverable amount. The recoverable amount of cash-generating units is determined in accordance with the policy set out in Note 2.6. These calculations require the use of estimates which are subject to change of economic environment in future. The details are set out in Note 18.

(c) Impairment of goodwill

The Group tests annually and whenever there is an indication that the goodwill may be impaired, whether goodwill has suffered any impairment according to the recoverable amounts of the cash-generating units determined in accordance with the policy set out in Note 2.6. These calculations require the use of estimates which are subject to change of economic environment in the future. The details are set out in Note 19.

(d) Provision for inventories

In determining the amount of allowance required for obsolete and slow-moving inventories, the Group would evaluate ageing analysis of inventories and compare the carrying value of inventories to their respective net realisable value. A considerable amount of judgement is required in determining such allowance. If conditions which have impact on the net realisable value of inventories deteriorate, additional allowances may be required. The details are set out in Note 25.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(e) Loss allowances for debtors and finance lease receivables

The Group makes loss allowances for debtors and finance lease receivables based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on the existing market conditions as well as forward-looking estimates at the end of each reporting period. The details are set out in Notes 22 and 26.

(f) Recognition of deferred income tax assets

Deferred income tax assets recognised on unused tax losses of the subsidiaries established in the People's Republic of China (the "PRC") and other deductible temporary differences involve business assumptions and projections in determining the estimated future taxable profits available against which tax losses and other deductible temporary differences can be utilised before they expire, if applicable. Where the final tax outcome of these profits different from the amounts that were initially recorded, such differences will impact the deferred income tax assets in the period in which such determination is made. The details are set out in Note 24.

(g) Provision for compensation

The Group exercises judgement in measuring and recognising provisions and in assessing exposures to contingent liabilities in connection with compensation for early termination of leases of certain stores, the settlement of which is subject to negotiation, mediation and/or arbitration. Judgement is required to assess the likelihood that a liability will arise and a settlement will be required, and to quantify the possible range of the settlement. Because of the inherent uncertainty in this assessment process, actual outflow may be different from the originally estimated amount.

(h) Leases

Liabilities and the corresponding right-of-use assets arising from leases are initially measured at the present value of the lease payments at the commencement date, discounted using the interest rates implicit in the leases, or if that rate cannot be readily determinable, the Group uses the incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. The Group applies the incremental borrowing rate with reference to the rate of interest that the Group would have to pay to borrow, over a similar term as that of the lease, the funds necessary to obtain an asset of a similar value to the right-of-use asset in the country where it is located.

Lease payments to be made during the lease term will be included in the measurement of a lease liability. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, the Group considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew. The assessment of whether the Group is reasonably certain to exercise the options impacts the lease terms, which significantly affects the amount of lease liabilities and right-of-use assets recognised.



5 REVENUE AND SEGMENT INFORMATION

	2026 HK\$'000	2025 HK\$'000
Commission income from concessionaire sales	270,688	338,498
Sales of goods – direct sales	232,823	266,476
Revenue from contracts with customers	503,511	604,974
Rental income	548,112	564,453
Interest income from finance lease as the lessor	11,235	13,417
	1,062,858	1,182,844

The income from concessionaire sales is analysed as follows:

	2026 HK\$'000	2025 HK\$'000
Proceeds from concessionaire sales	1,930,827	2,494,424
Commission income from concessionaire sales	270,688	338,498

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

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

The CODMs consider that the Group has department store and property investment businesses. The CODMs assess the performance of the operating segments based on their revenue and operating results. The measurement of segment operating results excludes the effect of other losses, net, changes in fair value of investment properties and net unallocated corporate income. In addition, net finance costs are 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 the Chinese Mainland and all significant operating assets of the Group are located in the Chinese Mainland.

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

	Department store business HK\$'000	Property investment business HK\$'000	Consolidated HK\$'000
For the year ended 30 June 2026			
Segment revenue	876,903	185,955	1,062,858
Segment operating results	25,073	88,816	113,889
Other losses, net	(355,962)	(1,421)	(357,383)
Changes in fair value of investment properties	–	(524,864)	(524,864)
Unallocated corporate income, net			39,855
Operating loss			(728,503)
Finance income			6,277
Finance costs			(135,732)
Finance costs, net			(129,455)
Loss before income tax			(857,958)
Income tax credit			81,866
Loss for the year			(776,092)
For the year ended 30 June 2025			
Segment revenue	988,478	194,366	1,182,844
Segment operating results	96,474	178,046	274,520
Other losses, net	(90,549)	(750)	(91,299)
Changes in fair value of investment properties	–	97,210	97,210
Unallocated corporate income, net			7,829
Operating profit			288,260
Finance income			13,784
Finance costs			(176,218)
Finance costs, net			(162,434)
Profit before income tax			125,826
Income tax expense			(100,541)
Profit for the year			25,285



5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

	Department store business HK\$'000	Property investment business HK\$'000	Consolidated HK\$'000
As at 30 June 2026			
Segment assets	3,305,471	5,070,192	8,375,663
Deferred income tax assets	97,538	–	97,538
Unallocated corporate assets:			
Cash and bank balances			41,489
Others			78,907
Total assets			8,593,597
For the year ended 30 June 2026			
Additions to non-current assets (Note)	175,305	8,044	183,349
Depreciation	310,572	1,246	311,818
Impairment loss on goodwill (Note 19)	390,502	–	390,502
Impairment loss on property, plant and equipment and right-of-use assets	7,595	–	7,595
Gain on derecognition of lease liabilities and right-of-use assets, net (Note 7(i))	(23,353)	–	(23,353)
Gain on derecognition of right-of-use assets, net (Note 7(ii))	(29,619)	–	(29,619)
Loss on derecognition and lease modification of finance lease receivables, net	13,002	1,473	14,475
Provision of loss allowance on debtors and other receivables, net	2,962	–	2,962
As at 30 June 2025			
Segment assets	4,496,587	5,220,765	9,717,352
Deferred income tax assets	88,291	–	88,291
Unallocated corporate assets:			
Cash and bank balances			14,144
Others			90,086
Total assets			9,909,873
For the year ended 30 June 2025			
Additions to non-current assets (Note)	106,074	61,738	167,812
Depreciation	323,687	1,237	324,924
Impairment loss on goodwill (Note 19)	110,060	–	110,060
Impairment loss on property, plant and equipment and right-of-use assets	727	–	727
Gain on derecognition of lease liabilities and right-of-use assets, net (Note 7(i))	(13,170)	–	(13,170)
Gain on derecognition of right-of-use assets, net (Note 7(ii))	(45,531)	–	(45,531)
Loss on derecognition and lease modification of finance lease receivables, net	30,000	753	30,753
(Reversal)/provision of loss allowance on debtors and other receivables, net	(3,897)	252	(3,645)

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

6 OTHER INCOME

	2026 HK\$'000	2025 HK\$'000
Income from suppliers, concessionaires and tenants		
– Administration and management fees	143,065	165,744
– Credit card handling fees	22,092	27,989
– Promotion and related fees	28,721	30,057
Car park income	9,438	8,732
Government grants	6,686	6,396
Compensation income (Note)	–	79,850
Sundries	10,979	18,752
	220,981	337,520

Note: The compensation income for the year ended 30 June 2025 was mainly related to the expropriation of certain investment properties of the Group by the local government. All conditions attaching to the compensation arrangement have been fulfilled (without any contingencies) and hence the related compensation income has been recognised accordingly.

7 OTHER LOSSES, NET

	2026 HK\$'000	2025 HK\$'000
Impairment loss on goodwill (Note 19)	(390,502)	(110,060)
Impairment loss on property, plant and equipment and right-of-use assets	(7,595)	(727)
Fair value (loss)/gain on financial assets at FVPL, net	(15,352)	2,640
Gain/(loss) on deregistration of subsidiaries	2,149	(8,273)
Gain/(loss) on disposal of property, plant and equipment, net	68	(187)
Gain on derecognition of lease liabilities and right-of-use assets, net (Note (i))	23,353	13,170
Gain on derecognition of right-of-use assets, net (Note (ii))	29,619	45,531
Loss on derecognition of finance lease receivables, net	(7,682)	(19,807)
Loss on lease modification of finance lease receivables, net	(6,793)	(10,946)
	(372,735)	(88,659)

Notes:

- (i) Gain on derecognition of lease liabilities and right-of-use assets, net arose from lease modification of head leases.
- (ii) Gain on derecognition of right-of-use assets, net arose from the derecognition of right-of-use assets and the recognition of finance lease receivables upon the inception of sub-leases to tenants.



8 EMPLOYEE BENEFIT EXPENSE

	2026 HK\$'000	2025 HK\$'000
Wages, salaries and other benefits	297,121	291,850
Retirement benefit costs – defined contribution plans	30,784	32,431
	327,905	324,281

There were no forfeited contributions of the defined contribution plans utilised during the year ended 30 June 2026 (2025: Nil). As at 30 June 2026, there were no forfeited contributions that could be utilised to reduce the Group's contributions to the defined contribution plans (2025: Nil).

Employee benefit expense included emoluments of Directors (Note 9).

9 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of Directors for the year ended 30 June 2026 is set out below:

Name of Directors	As Director (Note (i)) HK\$'000	As management (Note (ii))		Total HK\$'000
		Basic salaries, discretionary bonuses, housing allowances, other allowances and other benefits HK\$'000	Retirement benefit costs – defined contribution plans HK\$'000	
<i>Executive Directors</i>				
Dr. Cheng Kar-shun, Henry (Note (iii))	71	–	–	71
Ms. Huang Shaomei, Echo (Note (iv))	71	–	2	73
Ms. Woo Yuk-kwan Rebecca (Note (v))	37	1,411	69	1,517
Ms. Chiu Wai-han, Jenny	150	–	2	152
Mr. Lau Fu-keung	150	–	2	152
Mr. Chan Yiu-ho	150	–	2	152
Mr. Cheung Fai-yet, Philip (Note (vi))	88	9,549	246	9,883
Ms. Xie Hui-fang, Mandy (Note (vii))	88	11,553	53	11,694
<i>Independent non-executive Directors</i>				
Mr. Cheong Ying-chew, Henry	200	–	–	200
Mr. Chan Yiu-tong, Ivan	200	–	–	200
Mr. Tong Hang-chan, Peter	200	–	–	200
Mr. Yu Chun-fai	200	–	–	200
Ms. Ho Pui-yun, Gloria	200	–	–	200
	1,805	22,513	376	24,694

9 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' emoluments (continued)

The remuneration of Directors for the year ended 30 June 2025 is set out below:

Name of Directors	As Director (Note (ii)) HK\$'000	As management (Note (iii))		Total HK\$'000
		Basic salaries, discretionary bonuses, housing allowances, other allowances and other benefits HK\$'000	Retirement benefit costs – defined contribution plans HK\$'000	
<i>Executive Directors</i>				
Ms. Chiu Wai-han, Jenny (Note (viii))	100	–	–	100
Mr. Lau Fu-keung (Note (ix))	2	–	–	2
Mr. Chan Yiu-ho (Note (x))	2	–	–	2
Mr. Cheung Fai-yet, Philip (Note (vi))	150	5,837	420	6,407
Ms. Xie Hui-fang, Mandy (Note (vii))	150	8,656	34	8,840
Mr. Ma Siu-cheung (Note (xi))	27	–	–	27
<i>Non-executive Director</i>				
Dr. Cheng Chi-kong, Adrian (Note (xii))	24	–	–	24
<i>Independent non-executive Directors</i>				
Mr. Cheong Ying-chew, Henry	200	–	–	200
Mr. Chan Yiu-tong, Ivan	200	–	–	200
Mr. Tong Hang-chan, Peter	200	–	–	200
Mr. Yu Chun-fai	200	–	–	200
Ms. Ho Pui-yun, Gloria	200	–	–	200
	1,455	14,493	454	16,402

Notes:

- (i) The amounts represented directors' fees paid to or receivable by the Director in respect of a person's services as a Director, whether of the Company or its subsidiary undertakings. No other emoluments was paid to or receivable by the Director in respect of a person's services as a Director, whether of the Company or its subsidiary undertakings.
- (ii) The amounts represented emoluments paid to or receivable by the Director in respect of a person's other services in connection with the management of the affairs of the Company or its subsidiary undertakings and included basic salaries, discretionary bonuses, employer's contributions to retirement benefit schemes and other allowances.
- (iii) Dr. Cheng Kar-shun, Henry was appointed as an executive Director on 9 January 2026.
- (iv) Ms. Huang Shaomei, Echo was appointed as an executive Director on 9 January 2026.
- (v) Ms. Woo Yuk-kwan Rebecca was appointed as an executive Director on 1 April 2026.



9 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' emoluments (continued)

Notes: (continued)

- (vi) Mr. Cheung Fai-yet, Philip resigned as an executive Director on 9 January 2026. The balance included payment made in respect of the retirement of Mr. Cheung Fai-yet, Philip amounting to approximately HK\$6,111,000.
- (vii) Ms. Xie Hui-fang, Mandy resigned as an executive Director on 14 February 2026. The balance included payment made in respect of the resignation of Ms. Xie Hui-fang, Mandy amounting to approximately HK\$6,940,000.
- (viii) Ms. Chiu Wai-han, Jenny was re-designated as an executive Director on 27 June 2025.
- (ix) Mr. Lau Fu-keung was appointed as an executive Director on 27 June 2025.
- (x) Mr. Chan Yiu-ho was appointed as an executive Director on 27 June 2025.
- (xi) Mr. Ma Siu-cheung was appointed as an executive Director on 26 September 2024 and resigned as an executive Director on 29 November 2024.
- (xii) Dr. Cheng Chi-kong, Adrian resigned as a non-executive Director on 26 September 2024.
- (xiii) No Directors waived or agreed to waive any emoluments during the years ended 30 June 2026 and 2025.

(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group includes two (2025: two) Directors for the year ended 30 June 2026, whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2025: three) individuals during the year are as follows:

	2026 HK\$'000	2025 HK\$'000
Basic salaries, housing allowances, other allowances and other benefits in kind	5,234	5,122
Discretionary bonuses	769	694
Retirement benefit costs – defined contribution plans	240	101
	6,243	5,917

The emoluments fell within the following bands:

	Number of individuals	
	2026	2025
Emolument bands		
HK\$1,500,001 – HK\$2,000,000	2	2
HK\$2,000,001 – HK\$2,500,000	–	1
HK\$2,500,001 – HK\$3,000,000	1	–
	3	3

10 OTHER OPERATING EXPENSES, NET

	2026	2025
	HK\$'000	HK\$'000
Property management and related expenses	95,314	112,318
Electricity and water expenses	73,181	79,714
Selling, promotion, advertising and related expenses	21,927	29,563
Auditor's remuneration		
– Audit services	3,800	3,900
– Non-audit services	612	717
Other tax expenses	68,917	80,520
Net exchange gain	(76,805)	(35,220)
Provision/(reversal) of loss allowance on debtors	2,958	(3,509)
Provision/(reversal) of loss allowance on other receivables	4	(136)
Reversal of compensation expenses (Note (i))	(32,171)	(48,546)
Others (Note (ii))	51,415	57,360
	209,152	276,681

Notes:

- (i) The provisions were recognised for the compensation to the affected parties of certain stores being closed in prior years and the recognised provisions were reversed if no subsequent claims were initiated by the respective parties within the general statute of limitation period of three years under the applicable law in the Chinese Mainland.
- (ii) Others primarily included credit card handling fees, legal and professional fees and insurance expenses etc.

11 FINANCE COSTS, NET

	2026	2025
	HK\$'000	HK\$'000
Interest income on bank deposits	(6,277)	(13,784)
Interest expense on bank loans	28,628	33,082
Interest expense on shareholder loans	22,534	35,520
Interest expense on lease liabilities	84,570	107,616
	135,732	176,218
	129,455	162,434



12 INCOME TAX (CREDIT)/EXPENSE

The amounts of taxation (credited)/charged to the consolidated income statement represent:

	2026 HK\$'000	2025 HK\$'000
Current income tax		
– Chinese Mainland taxation	41,673	50,513
– Over-provision in prior years	(24,047)	(8)
Deferred income tax (Note 24)	(99,492)	50,036
	(81,866)	100,541

Taxation has been provided at the tax rates prevailing in the tax jurisdictions in which the respective group entities operate. No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit in Hong Kong for the years ended 30 June 2026 and 2025.

Subsidiaries of the Company in the Chinese Mainland are subject to corporate income tax at a rate of 25% (2025: 25%).

Distribution of the profits earned by the subsidiaries of the Company in the Chinese Mainland to holding companies is subject to the withholding tax of the Chinese Mainland at the tax rates of 5%.

The taxation of the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the applicable tax rate, being the weighted average tax rates prevailing in the territories in which the Group operates, as follows:

	2026 HK\$'000	2025 HK\$'000
(Loss)/profit before income tax	(857,958)	125,826
Tax calculated at applicable tax rate	(214,490)	31,457
Expenses or losses not deductible for taxation purpose	119,932	52,604
Income not subject to taxation	(37,701)	(19,955)
Utilisation of previously unrecognised tax losses and other temporary differences	(552)	(3,377)
Tax losses and other temporary differences not recognised	42,534	39,820
Recognition of deferred taxation on undistributed profits of subsidiaries	13,128	–
Withholding tax on dividend	19,330	–
Over-provision in prior years	(24,047)	(8)
Income tax (credit)/expense	(81,866)	100,541

	2026	2025
Domestic applicable tax rates	25%	25%

13 DIVIDENDS

The Directors have resolved not to recommend a final dividend for the year ended 30 June 2026 (2025: Nil).

14 (LOSS)/EARNINGS PER SHARE

(a) Basic

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

	2026	2025
(Loss)/profit attributable to shareholders of the Company (HK\$'000)	(776,092)	25,285
Weighted average number of ordinary shares in issue (shares in thousands)	1,686,145	1,686,145
Basic (loss)/earnings per share (HK\$ per share)	(0.460)	0.015

(b) Diluted

Diluted (loss)/earnings per share for the years ended 30 June 2026 and 2025 are equal to basic (loss)/earnings per share as there was no dilutive potential ordinary share in issue.

15 INVESTMENT PROPERTIES

	2026 HK\$'000	2025 HK\$'000
At beginning of the year	4,865,532	4,556,235
Translation differences	240,297	102,411
Additions	4,854	58,219
Transfer from property, plant and equipment	62,125	25,185
Transfer from right-of-use assets	85,115	34,506
Reclassification from/(to) finance lease receivables	3,059	(8,234)
Changes in fair value (charged)/credited to consolidated income statement	(524,864)	97,210
At end of the year	4,736,118	4,865,532

**15 INVESTMENT PROPERTIES (CONTINUED)**

Amounts transferred from property, plant and equipment and right-of-use assets to investment properties are as follows:

	2026 HK\$'000	2025 HK\$'000
Net book value at the date of transfer of:		
– Property, plant and equipment (Note 16)	46,827	18,461
– Right-of-use assets (Note 17)	48,604	18,421
Revaluation gain recognised in other comprehensive income	51,809	22,809
	147,240	59,691
Representing fair value of investment properties transferred from:		
– Property, plant and equipment	62,125	25,185
– Right-of-use assets	85,115	34,506
	147,240	59,691

Amounts recognised in the consolidated income statement for investment properties are as follows:

	2026 HK\$'000	2025 HK\$'000
Rental income	185,955	194,366
Other income (Note)	25,491	102,740
Direct operating expenses from properties that generated rental income	(124,051)	(119,810)
	87,395	177,296

Note: The amount as disclosed for the year ended 30 June 2025 included the compensation income as stated in Note 6.

As at 30 June 2026, investment properties with an carrying amount of approximately HK\$1,445,087,000 (2025: Nil) were pledged as securities for the Group's bank borrowing facilities.

Valuation processes of the Group

Investment properties have been revalued as at 30 June 2026 and 2025 by Jones Lang LaSalle Corporate Appraisal and Advisory Limited and Vincorn Consulting and Appraisal Limited, independent professional valuers. The fair value of the investment properties was determined based on, amongst other things, comparable market transactions, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The Group's finance team reviews the valuations performed by the independent professional valuers for financial reporting purposes. This team reports directly to the senior management. Discussions of valuation processes and results are held between the management and the independent professional valuers at least twice a year.

15 INVESTMENT PROPERTIES (CONTINUED)

Valuation processes of the Group (continued)

At each reporting period the finance team of the Group:

- Verifies all major inputs to the independent valuation reports;
- Assesses property valuations movements when compared to the prior period valuation reports; and
- Holds discussions with the independent professional valuers.

Fair value measurements using significant unobservable inputs

The fair value measurement of the Group's investment properties is categorised into level 3 in the fair value hierarchy based on the inputs to valuation techniques used.

There were no transfers between levels 1, 2 and 3 during the year. The Group's policy is to recognise transfers into/out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

The valuations were derived using the income approach. This approach was based on the capitalisation of net income with due allowance for outgoings and reversionary income potential by adopting appropriate capitalisation rates, which were derived from analysis of rental/sale transactions and valuers' interpretations 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.

Information about fair value measurements using significant unobservable inputs are as follows:

As at 30 June 2026

Valuation technique	Range of significant unobservable inputs	
Income approach	Prevailing market rents	Capitalisation rate
Located in Tier 1 cities	HK\$4.5 to HK\$13.4 per sq.m. per day	4.5% to 6.3%
Located in Tier 2 cities	HK\$3.3 to HK\$6.8 per sq.m. per day	5.5% to 6.9%

As at 30 June 2025

Valuation technique	Range of significant unobservable inputs	
Income approach	Prevailing market rents	Capitalisation rate
Located in Tier 1 cities	HK\$5.4 to HK\$14.7 per sq.m. per day	4.5% to 6.3%
Located in Tier 2 cities	HK\$3.6 to HK\$6.7 per sq.m. per day	5.9% to 6.9%

For prevailing market rent, the higher the prevailing market rent was, the higher the fair value would be. For capitalisation rate, the lower the capitalisation rate was, the higher the fair value would be.

As at 30 June 2026, if the prevailing market rents had increased/decreased by 2% (2025: 2%) with all other variables held constant, the fair value of the Group's investment properties would have been approximately HK\$98,142,000 higher or HK\$100,218,000 lower (2025: HK\$99,092,000 higher or HK\$100,706,000 lower), respectively.

As at 30 June 2026, if the capitalisation rate had increased/decreased by 0.25 percentage point (2025: 0.25 percentage point) with all other variables held constant, the fair value of the Group's investment properties would have been approximately HK\$171,447,000 lower or HK\$168,113,000 higher (2025: HK\$181,371,000 lower or HK\$193,091,000 higher), respectively.



16 PROPERTY, PLANT AND EQUIPMENT

	Buildings HK\$'000	Plant and machinery HK\$'000	Motor vehicles HK\$'000	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Computer HK\$'000	Assets under construction HK\$'000	Total HK\$'000
Cost									
As at 1 July 2025	546,544	11,705	3,992	1,308,039	15,058	6,619	155,029	17,855	2,064,841
Translation differences	25,526	554	129	64,117	775	329	7,921	1,025	100,376
Additions	-	383	-	31,627	232	35	144	3,034	35,455
Disposals/write-off	-	(1,948)	(2,255)	(76,934)	(462)	(196)	(5,062)	(174)	(87,031)
Transfer to investment properties	(83,795)	-	-	(68,018)	-	-	-	-	(151,813)
As at 30 June 2026	488,275	10,694	1,866	1,258,831	15,603	6,787	158,032	21,740	1,961,828
Accumulated depreciation and impairment									
As at 1 July 2025	150,867	10,573	3,378	1,084,916	12,893	6,412	141,099	-	1,410,138
Translation differences	6,747	498	120	53,823	677	326	7,375	-	69,566
Charge for the year	16,020	457	272	55,316	807	86	5,968	-	78,926
Disposals/write-off	-	(1,948)	(1,904)	(76,790)	(462)	(196)	(4,963)	-	(86,263)
Impairment	-	-	-	3,086	-	11	114	-	3,211
Transfer to investment properties	(47,949)	-	-	(57,037)	-	-	-	-	(104,986)
As at 30 June 2026	125,685	9,580	1,866	1,063,314	13,915	6,639	149,593	-	1,370,592
Net book amount									
As at 30 June 2026	362,590	1,114	-	195,517	1,688	148	8,439	21,740	591,236
Cost									
As at 1 July 2024	563,565	11,992	5,065	1,409,721	15,606	6,760	155,115	19,728	2,187,552
Translation differences	12,066	258	99	29,541	333	146	3,371	408	46,222
Additions	-	570	-	36,112	881	83	2,554	3,140	43,340
Disposals/write-off	-	(1,115)	(1,172)	(159,719)	(1,762)	(370)	(6,011)	-	(170,149)
Reclassification	-	-	-	5,421	-	-	-	(5,421)	-
Transfer to investment properties	(29,087)	-	-	(13,037)	-	-	-	-	(42,124)
As at 30 June 2025	546,544	11,705	3,992	1,308,039	15,058	6,619	155,029	17,855	2,064,841
Accumulated depreciation and impairment									
As at 1 July 2024	147,160	10,682	4,102	1,164,833	13,546	6,527	136,402	-	1,483,252
Translation differences	3,239	231	81	24,454	287	141	3,016	-	31,449
Charge for the year	15,969	705	367	63,085	815	105	7,606	-	88,652
Disposals/write-off	-	(1,115)	(1,172)	(159,495)	(1,755)	(362)	(5,989)	-	(169,888)
Impairment	-	70	-	201	-	1	64	-	336
Transfer to investment properties	(15,501)	-	-	(8,162)	-	-	-	-	(23,663)
As at 30 June 2025	150,867	10,573	3,378	1,084,916	12,893	6,412	141,099	-	1,410,138
Net book amount									
As at 30 June 2025	395,677	1,132	614	223,123	2,165	207	13,930	17,855	654,703

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 2025	571,715	1,385,266	1,956,981
Translation differences	27,251	60,323	87,574
Additions	–	3,715	3,715
Transfer from finance lease receivables	–	18,509	18,509
Lease modification	–	(102,779)	(102,779)
Derecognition	–	(44,048)	(44,048)
Transfer to investment properties	(48,604)	–	(48,604)
Depreciation	(23,229)	(209,663)	(232,892)
Impairment	–	(4,384)	(4,384)
As at 30 June 2026	527,133	1,106,939	1,634,072

	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
Translation differences	12,742	32,469	45,211
Additions	–	378	378
Transfer from finance lease receivables	–	44,743	44,743
Lease modification	–	(5,820)	(5,820)
Derecognition	–	(74,831)	(74,831)
Transfer to investment properties	(18,421)	–	(18,421)
Depreciation	(23,114)	(213,158)	(236,272)
Impairment	–	(391)	(391)
As at 30 June 2025	571,715	1,385,266	1,956,981

The Group leases various buildings, plant and machinery and others. Rental contracts are made for a range of fixed periods but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Some leases contain variable payment terms that are linked to sales or net profits generated. Variable lease payments that depend on sales or net profits are recognised in the consolidated income statement in the period in which the condition that triggers those payments occurs. Most leases are subject to fixed payments.

For the year ended 30 June 2026, the expense relating to variable lease payments not included in lease liabilities was approximately HK\$42,275,000 (2025: HK\$57,027,000) and the expenses relating to short-term leases was approximately HK\$2,246,000 (2025: HK\$2,811,000).

Extension options are included in a number of property leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension options held are exercisable only by the Group and not by the respective lessor.

For the year ended 30 June 2026, the total cash outflows for leases was approximately HK\$541,246,000 (2025: HK\$549,564,000).



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 with impairment indicators were determined based on the higher of fair value less costs of disposal and value in use method.

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 remaining lease term and discounted by the applicable discount rate.
- (ii) with reference to the valuation of the corresponding properties as at 30 June 2026 by independent professional valuer.

2 CGU (2025: 1 CGU) in relation to department store business with impairment indicator was identified for the year. The key assumptions used in the impairment assessment, where discounted cash flow model was adopted based on value in use model, was average annual gross revenue growth rate of 21% (2025: 3%), average gross margin ratio of 9% (2025: 9%) and a pre-tax discount rate of 6.7% to 13% (2025: 13.3%) or the equivalent of a post-tax discount rate of 9.5% (2025: 10.5%) which were based on management's best estimates and reflected specific risks relating to the relevant businesses.

No CGU (2025: 1 CGU) in relation to property investment business and 1 CGU (2025: 1 CGU) that the planned operations of which have not yet been commenced with impairment indicators were identified for the year. The key assumptions used in the impairment assessments, with reference to the independent valuation of the underlying properties of the CGUs, are 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 the valuers' 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 year ended 30 June 2026, impairment loss of approximately HK\$7,595,000 (2025: HK\$727,000) was recognised. Impairment provision were made on property, plant and equipment and right-of-use assets to reflect management's view on the operational performance of the stores after considering the latest market environment and the business prospect of the stores.

If the annual gross revenue had been 10% (2025: 20%) lower than management's current estimates, there would have been impairment losses of approximately HK\$4,065,000 (2025: HK\$33,962,000).

If the gross margin ratios had been 1 percentage point (2025: 1 percentage point) lower than management's current estimates, there would have been impairment losses of approximately HK\$575,000 (2025: no material adverse impact).

If the discount rate had been 0.5 percentage point (2025: 0.5 percentage point) higher than management's current estimates, there would have been impairment losses of approximately HK\$1,517,000 (2025: no material adverse impact).

If the prevailing market rents had decreased by 2% (2025: 2%) with all other variables held constant, there would have been no material adverse impact (2025: no material adverse impact) to the consolidated financial statements.

If the capitalisation rate had increased by 0.25 percentage point (2025: 0.25 percentage point) with all other variables held constant, there would have been no material adverse impact (2025: no material adverse impact) to the consolidated financial statements.

If the estimated transaction costs of disposal had increased by 1 percentage point (2025: 1 percentage point) with all other variables held constant, there would have been no material adverse impact (2025: no material adverse impact) to the consolidated financial statements.

19 INTANGIBLE ASSETS

	Goodwill	
	2026	2025
	HK\$'000	HK\$'000
Cost		
At beginning of the year	2,061,225	2,016,898
Translation differences	107,231	44,327
At end of the year	2,168,456	2,061,225
Accumulated impairment		
At beginning of the year	1,138,279	1,004,925
Translation differences	72,760	23,294
Impairment	390,502	110,060
At end of the year	1,601,541	1,138,279
Net book amount		
At end of the year	566,915	922,946

Impairment tests for goodwill

Goodwill is allocated to the Group's CGUs identified and the following is a summary of the goodwill as allocated to each of the Group's CGU:

	2026	2025
	HK\$'000	HK\$'000
CGUs of department store business		
Beijing Chongwen Store	239,904	228,040
Shanghai Pujian Branch Store	57,250	54,420
Beijing Qianzi Store	21,955	20,870
Shanghai Wujiaochang Branch Store	–	315,323
Chongqing Store	–	68,742
CGU of property investment business		
Shanghai Shaanxi Road Branch Store	247,806	235,551

As at 30 June 2026, goodwill allocated to CGUs of the department store business and CGUs of the property investment business was approximately HK\$319,109,000 (2025: HK\$687,395,000) and HK\$247,806,000 (2025: HK\$235,551,000), 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 method. 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 underlying property, 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 terminal growth rate of 2% (2025: 3%), where applicable.

**19 INTANGIBLE ASSETS (CONTINUED)****Impairment tests for goodwill (continued)**

The cash flow projections used for goodwill allocated to CGUs of the department store business are discounted at a post-tax discount rate of 9.5% (2025: 13.5%) which reflected specific risks relating to the relevant businesses. The key assumptions used in the cash flow projections based on the fair value less costs of disposal method were determined by considering both internal and external factors relating to the businesses of each CGU and consistent with the respective business forecast of the businesses, where applicable. The key assumptions used are listed as below:

	Average annual gross revenue growth rates		Average gross margin ratios	
	2026	2025	2026	2025
Beijing Chongwen Store	3%	6%	13%	12%
Shanghai Pujian Branch Store	4%	3%	15%	14%
Beijing Qianzi Store	5%	7%	10%	7%
Shanghai Wujiaochang Branch Store	5%	15%	14%	15%
Chongqing Store	-79%	3%	16%	15%

The fair value estimation is considered to be in level 3 in the fair value hierarchy.

During the year ended 30 June 2026, an impairment loss of approximately HK\$390,502,000 (2025: HK\$110,060,000) was recognised in relation to the goodwill allocated to the department store business of Shanghai Wujiaochang Branch Store and Chongqing Store taking into consideration its performance and the realignment of management's business plan in light of the latest market development and management's assessment of the business prospect of the store.

The recoverable amount of the related CGU of Shanghai Wujiaochang Branch Store is determined by management based on the assistance from an independent external qualified valuer, Vincorn Consulting and Appraisal Limited, who holds recognised relevant professional qualifications and relevant experience in the industry of department store operations. As at 30 June 2026, the estimated recoverable amount of the CGU as determined based on value in use was approximately HK\$292,411,000 (2025: HK\$268,423,000).

If the annual gross revenue had been 10% (2025: 20%) lower than management's current estimates, there would have been further impairment losses of approximately HK\$5,295,000 on property, plant and equipment and right-of-use assets (2025: HK\$114,194,000 on goodwill).

The decrease in the sensitivity rate from 20% to 10% reflects the reassessment of the underlying business conditions based on recent operating performance and updated forecasts. This adjustment aligns with a more cautious outlook given the current business environment and the latest management plans.

If the gross margin ratios had been 1 percentage point (2025: 1 percentage point) lower than management's current estimates, there would have been further impairment losses of approximately HK\$9,242,000 on property, plant and equipment and right-of-use assets (2025: HK\$23,368,000 on goodwill).

If the discount rate had been 0.5 percentage point (2025: 0.5 percentage point) higher than management's current estimates, there would have been further impairment losses of approximately HK\$3,986,000 on property, plant and equipment and right-of-use assets (2025: HK\$6,761,000 on goodwill).

19 INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

The impairment loss recognised for the year represented the difference between the carrying amount of the CGU including goodwill and its estimated recoverable amount. The Group reassessed all classes of assets of CGUs, impairment loss on property, plant and equipment and right-of-use assets of approximately HK\$7,595,000 was recognised as stated in note 18.

At 30 June 2026, the recoverable amounts for the CGUs of the Beijing Chongwen Store, Shanghai Pujian Branch Store and Beijing Qianzi Store as determined under the fair value less cost of disposal calculations exceeded their carrying amounts by approximately HK\$43,104,000 (2025: HK\$94,850,000), HK\$140,644,000 (2025: HK\$179,244,000) and HK\$862,000 (2025: HK\$45,479,000), respectively. A reasonably possible change in key assumptions used in the impairment tests for goodwill allocated to Shanghai Pujian Branch Store would not cause the CGU's carrying amount to exceed its recoverable amount.

For the goodwill allocated to the CGUs of the Beijing Chongwen Store and Beijing Qianzi Store, the impact of reasonably possible changes in key assumptions are summarised as below:

If the annual gross revenue had been 10% (2025: 20%) lower than management's current estimates, there would have been impairment losses of approximately HK\$196,231,000 (2025: HK\$317,653,000).

If the gross margin ratios had been 1 percentage point (2025: 1 percentage point) lower than management's current estimates, there would have been impairment losses of approximately HK\$71,135,000 (2025: HK\$4,918,000).

If the discount rate had been 0.5 percentage point (2025: 0.5 percentage point) higher than management's current estimates, there would have been impairment losses of approximately HK\$8,605,000 (2025: no material adverse impact).

The key assumptions as adopted in the fair value measurement of the underlying property for the CGU of property investment business (i.e. the CGU of the Shanghai Shaanxi Road Branch Store) include the prevailing market rent of HK\$13.4 per sq.m. per day (2025: HK\$13.1 per sq.m. per day), capitalisation rate of 4.5% (2025: 4.5%) and the estimated transaction cost of disposal of 2% (2025: 2%) on the valuation. These key assumptions were derived from analysis of rental/sale transactions and valuers' interpretations 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.

If the prevailing market rents had decreased by 2% (2025: 2%) with all other variables held constant, there would have been no material adverse impact (2025: no material adverse impact) to the consolidated financial statements.

If the capitalisation rate had decreased by 0.25 percentage point (2025: 0.25 percentage point) with all other variables held constant, there would have been no material adverse impact (2025: no material adverse impact) to the consolidated financial statements.

If the estimated transaction costs of disposal had increased by 1 percentage point (2025: 1 percentage point) with all other variables held constant, there would have been no material adverse impact (2025: no material adverse impact) to the consolidated financial statements.



20 INTEREST IN AN ASSOCIATED COMPANY

	2026 HK\$'000	2025 HK\$'000
The Group's share of net assets, unlisted	–	–

The associated company remained inactive during the years ended 30 June 2026 and 2025, and is not material to the Group.

Since the Group's share of losses in the associated company equals its interests in the associated company, the Group does not recognise further losses.

The Group's share of revenue, results, assets and liabilities of the associated company are as follows:

	2026 HK\$'000	2025 HK\$'000
Revenue	–	–
Loss for the year	–	–
Non-current assets	52	49
Current assets	474	451
Current liabilities	(242)	(230)
Net assets	284	270

	2026 HK\$'000	2025 HK\$'000
Impairment of interest in an associated company	(284)	(270)

Details of the associated company is as follows:

Name	Place of establishment	Principal activity	Registered capital	Interest held by the Group (%)	
				2026	2025
Shanghai Yijie Trading Co., Ltd.	Chinese Mainland	Inactive	RMB1,500,000	49	49

21 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2026	2025
	HK\$'000	HK\$'000
Prepaid rent and rental deposits	130,693	125,342
Value-added tax and other taxes recoverable	33,764	34,525
Prepaid expenses	18,026	20,626
Others	41,988	63,700
	224,471	244,193
Analysed for reporting purposes as:		
Non-current assets	113,884	145,871
Current assets	110,587	98,322
	224,471	244,193

The balances were mainly denominated in RMB.

As at 30 June 2026, prepaid expenses included prepaid insurance expenses to related companies of approximately HK\$170,000 (2025: HK\$160,000).

22 FINANCE LEASE RECEIVABLES

	2026	2025
	HK\$'000	HK\$'000
Finance lease receivables	194,528	272,061
Unguaranteed residual values	19,997	26,755
Gross investment in finance leases	214,525	298,816
Less: unearned finance income	(11,497)	(17,977)
Net investment in finance leases	203,028	280,839
Less: accumulated allowance for impairment	(1,809)	(1,691)
Finance lease receivables – net	201,219	279,148
Analysed for reporting purposes as:		
Non-current assets	127,665	173,657
Current assets	73,554	105,491
	201,219	279,148

**22 FINANCE LEASE RECEIVABLES (CONTINUED)**

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

	2026 HK\$'000	2025 HK\$'000
Gross investment in finance leases		
Within one year	81,620	116,920
In the second to fifth year	111,304	153,390
After the fifth year	21,601	28,506
	214,525	298,816

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2026 HK\$'000	2025 HK\$'000
Private investment funds, at fair value	78,609	89,821

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

	2026 HK\$'000	2025 HK\$'000
HK\$	16,313	21,807
USD	62,296	68,014
	78,609	89,821

24 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority. The net amounts are as follows:

	2026 HK\$'000	2025 HK\$'000
Deferred income tax assets	97,538	88,291
Deferred income tax liabilities	(872,107)	(909,671)
	(774,569)	(821,380)

The movement of net deferred income tax liabilities account is as follows:

	2026 HK\$'000	2025 HK\$'000
At beginning of the year	(821,380)	(748,577)
Translation differences	(39,729)	(17,065)
Charged directly to equity	(12,952)	(5,702)
Credited/(charged) to consolidated income statement (Note 12)	99,492	(50,036)
At end of the year	(774,569)	(821,380)

The movements in deferred income tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction are as follows:

Deferred income tax assets:

	Accrued expenses HK\$'000	Tax depreciation HK\$'000	Leases liabilities HK\$'000	Total HK\$'000
As at 1 July 2025	5,123	–	515,680	520,803
Translation differences	261	26	23,254	23,541
(Charged)/credited to consolidated income statement	(173)	744	(103,049)	(102,478)
As at 30 June 2026	5,211	770	435,885	441,866
As at 1 July 2024	5,831	36	578,488	584,355
Translation differences	119	1	11,893	12,013
Charged to consolidated income statement	(827)	(37)	(74,701)	(75,565)
As at 30 June 2025	5,123	–	515,680	520,803

**24 DEFERRED INCOME TAX (CONTINUED)**

Deferred income tax liabilities:

	Tax depreciation HK\$'000	Fair value adjustment on business combination HK\$'000	Revaluation of properties HK\$'000	Undistributed profits of subsidiaries HK\$'000	Right-of-use assets HK\$'000	Others HK\$'000	Total HK\$'000
As at 1 July 2025	282,358	540,029	95,371	–	414,847	9,578	1,342,183
Translation differences	15,330	26,014	3,162	456	17,821	487	63,270
Charged directly to equity	–	–	12,952	–	–	–	12,952
Charged/(credited) to consolidated income statement	18,468	(59,969)	(64,837)	13,128	(108,437)	(323)	(201,970)
As at 30 June 2026	316,156	506,074	46,648	13,584	324,231	9,742	1,216,435
As at 1 July 2024	262,890	492,005	90,505	–	480,155	7,377	1,332,932
Translation differences	5,927	11,218	2,020	–	9,728	185	29,078
Charged directly to equity	–	–	5,702	–	–	–	5,702
Charged/(credited) to consolidated income statement	13,541	36,806	(2,856)	–	(75,036)	2,016	(25,529)
As at 30 June 2025	282,358	540,029	95,371	–	414,847	9,578	1,342,183

As at 30 June 2026, the aggregate amount of temporary differences associated with investments in subsidiaries for which deferred income tax liabilities have not been recognised totalled approximately HK\$112,152,000 (2025: HK\$267,191,000), as the Directors consider that the timing of reversal of the related temporary differences can be controlled by the Group and the temporary differences will not be reversed in the foreseeable future.

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of approximately HK\$242,985,000 (2025: HK\$270,974,000) in respect of accumulated losses and deductible temporary differences amounting to approximately HK\$971,939,000 (2025: HK\$1,083,896,000). The accumulated losses can be carried forward against future taxable profit with expiry date of five years.

As at 30 June 2026 and 2025, all investment properties are held with a business model to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. The Group has measured the deferred income tax relating to the temporary differences of these investment properties using the tax rate and the tax bases that are consistent with the expected of recovery of these investment properties.

25 INVENTORIES

	2026 HK\$'000	2025 HK\$'000
Finished goods	38,893	50,531

The cost of inventories recognised as expense and included in “purchases of and changes in inventories, net” amounted to approximately HK\$217,478,000 (2025: HK\$247,553,000, which included reversal of write-down of inventories, net of approximately HK\$403,000).

26 DEBTORS

	2026 HK\$'000	2025 HK\$'000
Debtors	15,334	17,595
Less: loss allowance	(5,027)	(3,896)
Debtors, net	10,307	13,699

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

	2026 HK\$'000	2025 HK\$'000
Within period for		
0–30 days	9,360	8,831
31–60 days	130	545
61–90 days	39	307
Over 90 days	778	4,016
	10,307	13,699

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



26 DEBTORS (CONTINUED)

Movements on the Group's loss allowance of debtors are as follows:

	2026 HK\$'000	2025 HK\$'000
At beginning of the year	3,896	7,660
Translation differences	211	125
Provision/(reversal) during the year	2,958	(3,509)
Amounts written off during the year	(2,038)	(380)
At end of the year	5,027	3,896

The debtors were primarily denominated in RMB.

The maximum exposure to credit risk at the reporting date is the carrying amount of debtors mentioned above. In case of default, the Group can set off the receivable balance to the extent of the relevant rental deposits held.

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

As at 30 June 2026 and 2025, the balances with fellow subsidiaries and related companies were unsecured, interest free, repayable on demand and denominated in RMB.

The balances with the ultimate holding company included an amount of approximately HK\$25,770,000 (2025: HK\$26,027,000) which was unsecured, interest free, repayable on demand and denominated in HKD, and an amount of approximately HK\$79,873,000 (2025: HK\$79,873,000) which was unsecured, interest free, repayable on demand and denominated in USD.

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.

28 FIXED DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS

Fixed deposits with original maturity over three months were denominated in RMB.

The interest rates on fixed deposits with original maturity over three months ranged from 0.95% to 1.45% (2025: 1.35% to 3.40%) per annum.

29 CASH AND BANK BALANCES

	2026 HK\$'000	2025 HK\$'000
Fixed deposits with original maturity less than three months	257,301	319,192
Cash at bank and in hand	139,122	155,553
Cash and bank balances	396,423	474,745
Less: Restricted bank balances	(4,497)	–
Cash and cash equivalents	391,926	474,745

Cash and bank balances were denominated in the following currencies:

	2026 HK\$'000	2025 HK\$'000
RMB	352,913	458,128
HK\$	43,273	16,341
Others	237	276
	396,423	474,745

The interest rate on fixed deposits with original maturity less than three months was 0.65% to 2.22% (2025: 0.65% to 1.60%) per annum.

The Group's cash and bank balances were deposited with banks in the Chinese Mainland and Hong Kong. Cash at bank earned interest at floating rates based on daily bank deposit rates.

RMB is currently not a freely convertible currency in the international market. The conversion of RMB into foreign currencies and remittance of RMB out of the Chinese Mainland are subject to the rules and regulations of the foreign exchange control promulgated by the PRC government.

As at 30 June 2026, bank balances of approximately HK\$4,497,000 (2025: Nil) were restricted for certain legal and regulatory purposes.

30 SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.1 each, issued and fully paid:		
As at 1 July 2024, 30 June 2025 and 2026	1,686,145	168,615

Share option scheme

The Company's share option scheme was adopted on 26 June 2023. The Board may, at their discretion, granted options to any eligible participants (as defined in the share option scheme) to subscribe for shares in the Company.

No share option was granted during the years ended 30 June 2026 and 2025.



31 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 2025	1,826,646	393,998	391,588	551,091	(157,207)	331,018	3,337,134
Loss for the year	-	-	-	-	-	(776,092)	(776,092)
Revaluation of properties upon reclassification from property, plant and equipment and right-of-use assets to investment properties, net of tax	-	38,857	-	-	-	-	38,857
Translation differences	-	-	-	-	157,005	-	157,005
Release of exchange reserve upon deregistration of subsidiaries	-	-	-	-	(2,147)	-	(2,147)
Appropriation of statutory reserve	-	-	-	18,156	-	(18,156)	-
Release of statutory reserve upon deregistration of subsidiaries	-	-	-	(5,587)	-	5,587	-
As at 30 June 2026	1,826,646	432,855	391,588	563,660	(2,349)	(457,643)	2,754,757
	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 year	-	-	-	-	-	25,285	25,285
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	-	-	-	-	74,963	-	74,963
Release of exchange reserve upon deregistration of subsidiaries	-	-	-	-	8,272	-	8,272
Appropriation of statutory reserve	-	-	-	6,164	-	(6,164)	-
Release of statutory reserve upon deregistration of subsidiaries	-	-	-	(4,458)	-	4,458	-
As at 30 June 2025	1,826,646	393,998	391,588	551,091	(157,207)	331,018	3,337,134

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 until the reserve reaches 50% of their respective registered capital. 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.

32 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:

	2026 HK\$'000	2025 HK\$'000
At beginning of the year	2,331,632	2,674,110
Translation differences	102,399	54,410
Addition	3,715	378
Lease payments made during the year	(506,146)	(485,893)
Lease modification	(126,304)	(18,419)
Derecognition	(753)	(570)
Interest expense on lease liabilities	84,570	107,616
At end of the year	1,889,113	2,331,632
Analysed for reporting purposes as:		
Non-current liabilities	1,499,732	1,868,454
Current liabilities	389,381	463,178
	1,889,113	2,331,632

Lease liabilities included lease liabilities to fellow subsidiaries and related companies of approximately HK\$243,718,000 (2025: HK\$248,687,000).

The lease modification primarily arose from rental reductions agreed with the respective landlords.

33 BORROWINGS

	2026 HK\$'000	2025 HK\$'000
Non-current borrowings		
Secured bank loans	814,535	694,755
Current borrowings		
Secured bank loans	116,153	–
Unsecured bank loans	–	21,908
Shareholder loans	433,000	683,000
	549,153	704,908
	1,363,688	1,399,663

The agreements governing the bank loans of the Group contain conditions and events of default customary for such financing arrangement. The Group's borrowings with an aggregate carrying amount of approximately HK\$930,688,000 as at 30 June 2026 (2025: HK\$694,755,000) are subject to certain key financial covenants with applicable testing dates up to the respective maturity dates of the relevant facilities. The relevant financial covenants had been complied with under the respective facility agreements as at 30 June 2026. The Group is in the view that the relevant financial covenants are expected to be complied with when they are tested in the next 12 months from 30 June 2026.

**33 BORROWINGS (CONTINUED)**

As at 30 June 2026, bank loans of approximately HK\$696,320,000 (2025: HK\$694,755,000) were guaranteed by NWD and secured by certain portfolio of assets as provided by NWD under its bank facility arrangement. These bank loans will mature and be fully repayable on 30 June 2028.

As at 30 June 2026, bank loans of approximately HK\$234,368,000 (2025: Nil) were secured by certain investment properties of the Group.

As at 30 June 2026, shareholder loans from the ultimate holding company were interest-bearing at Hong Kong Interbank Offered Rate ("HIBOR") plus 1.1% (2025: HIBOR plus 1.1%) per annum, unsecured and repayable within one year. As at 30 June 2026, the accumulated interest payable on these shareholder loans were included in "Accruals and other payables" in the consolidated statement of financial position.

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

	2026 HK\$'000	2025 HK\$'000
RMB	234,368	21,908
HK\$	1,129,320	1,377,755
	1,363,688	1,399,663

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

	2026	2025
Borrowings denominated in RMB	2.69%	2.78%
Borrowings denominated in HK\$	3.71%	4.83%

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

	2026 HK\$'000	2025 HK\$'000
Within six months	6,568	21,908
In seven months to one year	542,585	683,000
Over one year	814,535	694,755

As at 30 June 2026, the Group had undrawn bank borrowing facilities of approximately HK\$493,956,000 (2025: undrawn bank borrowing facilities and shareholder loan of HK\$50,037,000 in aggregate), which carried interests at floating rates (2025: fixed or floating rates) and were due to expire within one year. Subsequent to the end of the reporting period, the Group has extended the maturity of its existing bank borrowing facilities of approximately HK\$728,324,000 from December 2026 to August 2028. Such facilities included the aforementioned undrawn bank borrowing facilities as at 30 June 2026.

34 CREDITORS, ACCRUALS AND OTHER PAYABLES

	2026	2025
	HK\$'000	HK\$'000
Creditors	300,611	402,900
Accruals and other payables	985,808	1,001,390
	1,286,419	1,404,290

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

	2026	2025
	HK\$'000	HK\$'000
Within period for		
0–30 days	243,393	302,790
31–60 days	12,507	57,700
61–90 days	5,966	3,787
Over 90 days	38,745	38,623
	300,611	402,900

Creditors included amounts due to related companies of approximately HK\$17,810,000 (2025: HK\$24,600,000) which were unsecured, interest free and repayable within 90 days.

Accruals and other payables included interest payable of shareholder loans of approximately HK\$170,678,000 (2025: HK\$148,133,000) and deposits from related companies of approximately HK\$333,000 (2025: Nil).

**34 CREDITORS, ACCRUALS AND OTHER PAYABLES (CONTINUED)**

Nature of accruals and other payables are as follows:

	2026	2025
	HK\$'000	HK\$'000
Rental accruals and payables	16,657	15,106
Deposits from concessionaire suppliers	361,901	370,753
Interest payable	170,876	148,210
Payables for capital expenditures	47,742	65,800
Accruals and payables for staff costs	113,878	95,216
Valued-added tax and other taxes payables	45,956	47,509
Receipts in advance	90,220	84,827
Others	138,578	173,969
	985,808	1,001,390

The carrying amounts of the financial liabilities as included in accruals and other payables of approximately HK\$735,754,000 (2025: HK\$773,838,000) approximate their fair values.

The carrying amounts of the creditors, accruals and other payables were denominated in the following currencies:

	2026	2025
	HK\$'000	HK\$'000
RMB	1,095,567	1,240,805
HK\$	190,852	163,485
	1,286,419	1,404,290

35 CONTRACT LIABILITIES

The Group has recognised the following revenue-related contract liabilities:

	2026 HK\$'000	2025 HK\$'000
Contract liabilities in relation to prepayments from customers	104,531	104,441
Contract liabilities in relation to customer loyalty programme	7,718	8,732
	112,249	113,173

The contract liabilities represented the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. The Group expects the transaction price allocated to the unsatisfied performance obligations will be recognised as proceeds from direct sales and concessionaire sales when the Group transfers goods or services to the customers.

The following table presents the amount recognised in the current reporting period related to brought-forward contract liabilities:

	2026 HK\$'000	2025 HK\$'000
For the year ended 30 June		
<i>Amount recognised that was included in the contract liability balance at beginning of the year</i>		
– Proceeds from direct sales and concessionaire sales	29,993	60,564

The following table presents unsatisfied performance obligations resulting from proceeds from direct sales and concessionaire sales:

	2026 HK\$'000	2025 HK\$'000
At end of the year		
Expected to be recognised within one year	52,851	56,930
Expected to be recognised after one year	59,398	56,243
	112,249	113,173



36 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:

	2026 HK\$'000	2025 HK\$'000
Contracted but not provided for	34,284	44,409

(b) Operating lease receivables

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

	2026 HK\$'000	2025 HK\$'000
Within one year	338,747	368,995
Between one and two years	196,499	223,752
Between two and three years	101,885	132,065
Between three and four years	55,366	70,257
Between four and five years	30,989	37,936
Over five years	32,926	34,293
	756,412	867,298

The contingent operating lease rental income of the Group for the year ended 30 June 2026 were approximately HK\$32,331,000 (2025: HK\$29,506,000).

37 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The reconciliation of liabilities arising from financing activities is as follows:

	Amount due to the ultimate holding company HK\$'000	Current bank borrowings HK\$'000	Non-current bank borrowings HK\$'000	Shareholder loans HK\$'000	Interest payable HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
As at 1 July 2025	105,900	21,908	694,755	683,000	148,210	2,331,632	3,985,405
Changes from cash flows							
Drawdown of bank borrowings	–	112,259	114,253	–	–	–	226,512
Repayment of bank borrowings	–	(22,275)	–	–	–	–	(22,275)
Repayment of shareholder loans	–	–	–	(250,000)	–	–	(250,000)
Payment of lease liabilities	–	–	–	–	–	(506,146)	(506,146)
Finance costs paid	(5,250)	–	–	–	(30,800)	–	(36,050)
	100,650	111,892	809,008	433,000	117,410	1,825,486	3,397,446
Other changes							
Additions to lease liabilities	–	–	–	–	–	3,715	3,715
Advance from the ultimate holding company in operating activities	856	–	–	–	–	–	856
Translation differences	5	4,261	3,751	–	8,212	102,399	118,628
Interest expenses	–	–	1,776	–	49,386	84,570	135,732
Lease modification and derecognition	–	–	–	–	–	(127,057)	(127,057)
Other non-cash item	4,132	–	–	–	(4,132)	–	–
As at 30 June 2026	105,643	116,153	814,535	433,000	170,876	1,889,113	3,529,320



37 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONTINUED)

	Amount due to the ultimate holding company HK\$'000	Current bank borrowings HK\$'000	Non-current bank borrowings HK\$'000	Shareholder loans HK\$'000	Interest payable HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
As at 1 July 2024	101,035	756,297	–	713,000	113,430	2,674,110	4,357,872
Changes from cash flows							
Drawdown of bank borrowings	–	21,669	–	–	–	–	21,669
Repayment of bank borrowings	–	(57,416)	–	–	–	–	(57,416)
Repayment of shareholder loans	–	–	–	(30,000)	–	–	(30,000)
Payment of lease liabilities	–	–	–	–	–	(485,893)	(485,893)
Finance costs paid	–	(214)	–	–	(35,940)	–	(36,154)
	101,035	720,336	–	683,000	77,490	2,188,217	3,770,078
Other changes							
Additions to lease liabilities	–	–	–	–	–	378	378
Advance from the ultimate holding company in operating activities	(2,578)	–	–	–	–	–	(2,578)
Translation differences	2,250	851	(57)	–	2,844	54,410	60,298
Interest expenses	–	721	5	–	67,876	107,616	176,218
Lease modification and derecognition	–	–	–	–	–	(18,989)	(18,989)
Non-cash transfer to non-current bank borrowings	–	(700,000)	700,000	–	–	–	–
Other non-cash item	5,193	–	(5,193)	–	–	–	–
As at 30 June 2025	105,900	21,908	694,755	683,000	148,210	2,331,632	3,985,405

38 RELATED AND CONNECTED PARTY TRANSACTIONS

(a) Transactions with related and connected parties

During the year, the Group had significant transactions with related parties which are also deemed to be connected parties pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

Save as those disclosed elsewhere in these consolidated financial statements, the following is a summary of significant transactions with these related and connected parties during the year carried out by the Group in the normal course of its business:

	Notes	2026 HK\$'000	2025 HK\$'000
Fellow subsidiaries			
Rental expenses	(i)	(8,499)	(10,345)
Property management expenses	(ii)	(4,399)	(4,714)
Interest expense on lease liabilities	(iii)	(302)	(146)
Other service fee expenses	(v)	(299)	(238)
Other service fee incomes	(vi)	27	–
Rental income	(vii)	314	289
Additions to right-of-use assets	(ix)	(3,715)	(5,333)
Repayment of lease liabilities	(xii)	(1,325)	(1,303)
Related companies			
Rental expenses	(i)	(30,450)	(42,605)
Property management expenses	(ii)	(25,407)	(24,582)
Interest expense on lease liabilities	(iii)	(7,710)	(10,119)
Insurance expenses	(iv)	(327)	(300)
Other service fee expenses	(v)	(167)	(1,707)
Commission income from concessionaire sales	(viii)	19,122	22,240
Additions to right-of-use assets	(ix)	–	(61,791)
Customer loyalty programme service income	(x)	100	347
Customer loyalty programme service costs	(x)	(783)	(1,640)
Purchase of leasehold improvement	(xi)	(827)	–
Repayment of lease liabilities	(xii)	(27,708)	(30,041)



38 RELATED AND CONNECTED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related and connected parties (continued)

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 property management expenses were charged in accordance with respective contracts with the subsidiaries/joint ventures of NWD or members of the 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 Chow Tai Fook Enterprise Limited ("CTFE"), a substantial shareholder of NWD, or members of the 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.
- (vi) This represented other services provided to the subsidiaries of NWD.
- (vii) The income was recognised in accordance with lease agreements with the subsidiaries of NWD.
- (viii) 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.
- (ix) Additions to right-of-use assets were measured and recognised in accordance with the respective lease agreements with the subsidiaries/joint ventures of NWD.
- (x) This represented the service income from/costs to a joint venture of NWD.
- (xi) This represented the purchase of leasehold improvement in respect of certain stores. Such fee was charged in accordance with the terms of respective contracts with members of the companies controlled by Mr. Doo.
- (xii) This represented the repayment of lease liabilities to subsidiaries/joint ventures of NWD.
- (xiii) The above transactions with fellow subsidiaries and related companies constitute connected transactions or continuing connected transactions for which the requirements under Chapter 14A of the Listing Rules have been complied with.

(b) Related and connected party balances

The details for balances with related and connected parties were disclosed in Notes 21, 27, 32, 33 and 34 to the consolidated financial statements.

(c) Key management compensation

All Directors were considered as key management and their emoluments had been disclosed in Note 9(a) to the consolidated financial statements.

39 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2026 HK\$'000	2025 HK\$'000
Assets			
Non-current asset			
Property, plant and equipment		25	–
Investments in subsidiaries		1,306,081	1,303,464
		1,306,106	1,303,464
Current assets			
Prepayments and deposits		298	264
Amounts due from subsidiaries	(i)	2,249,147	2,087,745
Cash and bank balances		41,489	14,144
		2,290,934	2,102,153
Total assets		3,597,040	3,405,617
Equity and liabilities			
Equity			
Share capital		168,615	168,615
Reserves	(ii)	1,415,767	1,324,756
Total equity		1,584,382	1,493,371
Liabilities			
Current liabilities			
Accruals and other payables		14,199	11,461
Amounts due to the ultimate holding company		1,494	777
Amounts due to subsidiaries	(i)	1,996,965	1,900,008
Total liabilities		2,012,658	1,912,246
Total equity and liabilities		3,597,040	3,405,617

The statement of financial position of the Company was approved by the Board of Directors of the Company on 30 September 2026 and was signed on its behalf by:

Ms. Woo Yuk-kwan Rebecca
Director

Mr. Lau Fu-keung
Director



39 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Notes:

- (i) The balances were unsecured, interest-free, repayable on demand and denominated in RMB.
- (ii) Movement on the reserves of the Company are as follows:

	Share premium HK\$'000	Contributed surplus HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
As at 1 July 2025	1,826,646	73,486	437,393	(1,012,769)	1,324,756
Profit for the year	–	–	–	12,875	12,875
Translation differences	–	–	78,136	–	78,136
As at 30 June 2026	1,826,646	73,486	515,529	(999,894)	1,415,767
As at 1 July 2024	1,826,646	73,486	404,824	(970,595)	1,334,361
Loss for the year	–	–	–	(42,174)	(42,174)
Translation differences	–	–	32,569	–	32,569
As at 30 June 2025	1,826,646	73,486	437,393	(1,012,769)	1,324,756

40 PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries of the Company as at 30 June 2026 are as follows:

Name	Place of incorporation/ establishment	Principal activities and place of operation	Issued and paid up share capital	Percentage of equity interests held directly indirectly	
Broad Park Limited	Hong Kong	Investment holding and provision of management services/Hong Kong	HK\$1	–	100
Constar Investment Limited	The British Virgin Islands	Financing/Hong Kong	US\$1	–	100
Happy Growth Investment Limited	Hong Kong	Investment holding and provision of management services/Hong Kong	HK\$1	100	–
New World Department Store (Investment) Limited	Hong Kong	Provision of investment holding and management services/Hong Kong	HK\$410,045,794	100	–
New World Department Stores Limited	Hong Kong	Investment holding and provision of management services/Hong Kong	HK\$2	100	–
Silver Grow Investment Limited	Hong Kong	Investment holding/Hong Kong	HK\$1	–	100
Jiangsu New World Department Store Co., Ltd.	Chinese Mainland	Department store operation/ Chinese Mainland	RMB16,000,000 ^w	100	–
New World Department Store (China) Co., Ltd.	Chinese Mainland	Department store operation/ Chinese Mainland	RMB50,000,000 ^w	91	9

40 PRINCIPAL SUBSIDIARIES (CONTINUED)

Name	Place of incorporation/ establishment	Principal activities and place of operation	Issued and paid up share capital	Percentage of equity interests held	
				directly	indirectly
New World Department Stores Investment (China) Co., Ltd.	Chinese Mainland	Investment holding/ Chinese Mainland	US\$150,000,000 ^W	100	–
Tianjin New World Department Store Co., Ltd.	Chinese Mainland	Shopping mall operation/ Chinese Mainland	US\$5,000,000 ^W	100	–
Beijing New World Liying Department Store Co., Ltd.	Chinese Mainland	Department store operation/ Chinese Mainland	RMB18,000,000 ^W	–	100
Beijing New World Qianzi Department Store Co., Ltd.	Chinese Mainland	Department store operation/ Chinese Mainland	HK\$60,000,000 ^W	–	100
Beijing New World Trendy Department Store Co., Ltd.	Chinese Mainland	Department store operation/ Chinese Mainland	RMB25,000,000 ^W	–	100
Beijing Wanya Department Store Co., Ltd.	Chinese Mainland	Department store operation/ Chinese Mainland	RMB100,000 ⁺	–	100 ^a
Beijing Yixi New World Department Store Co., Ltd.	Chinese Mainland	Department store operation/ Chinese Mainland	RMB65,000,000 ^W	–	100
Changsha New World Trendy Plaza Co., Ltd.	Chinese Mainland	Department store operation/ Chinese Mainland	RMB60,000,000 ^W	–	100
Chongqing New World Department Store Co., Ltd.	Chinese Mainland	Department store operation/ Chinese Mainland	RMB100,000,000 ^W	–	100
Mianyang New World Department Store Co., Ltd.	Chinese Mainland	Department store operation/ Chinese Mainland	RMB14,000,000 ^W	–	100
Miaogou (Beijing) Department Store Co., Ltd.	Chinese Mainland	Department store operation/ Chinese Mainland	RMB1,000,000 ⁺	–	100 ^a
Peak Moral High Commercial Development (Shanghai) Co., Ltd.	Chinese Mainland	Property investment and shopping mall operation/Chinese Mainland	US\$40,000,000 ^W	–	100
Shanghai New World Department Store Co., Ltd.	Chinese Mainland	Shopping mall operation/ Chinese Mainland	RMB18,000,000 ^W	–	100
Shanghai New World Huiya Department Store Co., Ltd.	Chinese Mainland	Department store operation/ Chinese Mainland	RMB240,000,000 ^W	–	100

**40 PRINCIPAL SUBSIDIARIES (CONTINUED)**

Name	Place of incorporation/ establishment	Principal activities and place of operation	Issued and paid up share capital	Percentage of equity interests held	
				directly	indirectly
Shanghai New World Huiyan Department Store Ltd.	Chinese Mainland	Property investment and shopping mall operation/Chinese Mainland	RMB85,000,000 ^w	–	100
Shanghai New World Huiying Department Store Co., Ltd.	Chinese Mainland	Department store operation/ Chinese Mainland	RMB93,970,000 ^w	–	100
Shanghai New World Xinying Department Store Co., Ltd.	Chinese Mainland	Department store operation/ Chinese Mainland	HK\$100,000,000 ^w	–	100
Shenyang New World Department Store Ltd.	Chinese Mainland	Property investment and shopping mall operation/Chinese Mainland	RMB30,000,000 ^w	–	100
Shenyang Trendy Property Company Limited	Chinese Mainland	Property investment/ Chinese Mainland	RMB27,880,000 ^w	–	100
Wuhan New World Department Store Co., Ltd.	Chinese Mainland	Property investment and department store operation/Chinese Mainland	US\$15,630,000 ^w	–	100
Wuhan New World Qianzi Department Store Co., Ltd.	Chinese Mainland	Department store operation/ Chinese Mainland	RMB500,000 ⁺	–	100 ^a
Yantai New World Department Store Co., Ltd.	Chinese Mainland	Department store operation/ Chinese Mainland	RMB80,000,000 ^w	–	100
Zhengzhou New World Department Store Co., Ltd.	Chinese Mainland	Shopping mall operation/ Chinese Mainland	RMB50,000,000 ^w	–	100

^a The Group indirectly holds equity interest in these subsidiaries through its wholly owned subsidiaries, and has control over each of these subsidiaries

^w Registered as wholly foreign owned enterprise under the PRC law

⁺ Registered as limited company under the PRC law

41 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.

FIVE-YEAR FINANCIAL SUMMARY

		For the year ended 30 June			
	2026	2025	2024	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Results					
Revenue	1,062,858	1,182,844	1,359,456	1,483,733	1,934,557
Operating (loss)/profit	(728,503)	288,260	254,710	(79,395)	(199,595)
(Loss)/profit for the year	(776,092)	25,285	13,314	(320,852)	(483,381)

		As at 30 June			
	2026	2025	2024	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets, liabilities and equity					
Total assets	8,593,597	9,909,873	10,205,513	10,791,316	12,513,402
Total liabilities	5,670,225	6,404,124	6,825,391	7,416,300	8,510,146
Total equity	2,923,372	3,505,749	3,380,122	3,375,016	4,003,256



PRINCIPAL INVESTMENT PROPERTIES SUMMARY

MAJOR COMPLETED INVESTMENT PROPERTIES IN THE CHINESE MAINLAND

No.	Address of Investment Properties	GFA (sq.m.)	Use	Land Lease Expiry
1	Levels 1 to 6 of a commercial complex located at Nos. 1347, 1351, 1355, 1359, 1363, 1367, 1371, 1375, 1379 and 1383 North Shaanxi Road, the Ground Level located at No. 175 Changshou Road, the Ground Level located at No. 179 Changshou Road, Levels 1 to 4 located at No. 155 Changshou Road, Level 5 located at No. 157 Changshou Road and Level 6 located at No. 159 Changshou Road, Putuo District, Shanghai City – Shanghai Shaanxi Road Branch Store	41,090	Commercial	2045
2	One commercial complex located at No. 762 Tianshan Road, Changning District, Shanghai City – Shanghai Tianshan Road Branch Store	37,302	Commercial	2053
3	A portion of Basement Level 1 and Levels 1 to 4 of a commercial/residential complex located at No. 57 Zijingshan Road, Guancheng District, Zhengzhou City – Zhengzhou Store	35,311	Commercial	2046
4	Parts of a portion of Basement Level 1 and Levels 1 to 5 of a commercial complex and a portion of Basement Level 1 and Levels 1 to 6 of a commercial complex located at Nos. 566 and 568 Jianshe Avenue, Jiangnan District, Wuhan City – Wuhan Jianshe Store	42,228	Commercial	2042
5	A portion of Levels 1 to 7 of two office towers erected on a podium arcade located at No. 3 Jinqiao Road, Dadong District, Shenyang City – Shenyang Jinqiao Road Branch Store	34,087	Commercial	2046
6	A portion of Basement Level 1 and Levels 1 to 4 of a commercial building located at No. 138 of Dongma Road, Nankai District, Tianjin City – Tianjin Store	14,236	Commercial	2045
		204,254		

RISK FACTORS

1. CHANGES IN CUSTOMER DEMAND AND CONSUMER BEHAVIOUR

- Although the domestic economy continued to improve in an orderly manner and the consumer market operated smoothly as a whole, the growth rate of total retail sales of consumer goods slowed down. However, subject to factors such as sluggish global economic recovery, ongoing geopolitical conflicts and a complex and challenging external business environment, consumer sentiment needs to be boosted. The recovery of consumption sentiment remained moderate, as consumers became more rational and pragmatic in their spending, and market structural divergence became more pronounced, which has become the primary factor hindering the growth of traditional physical retail industry.
- The rise of younger consumer groups has accelerated the diversification of consumer demand, with ever-increasing expectations on the distinctive character and experiential aspects of physical retail business, thereby compelling the department store sector to accelerate its transformation towards multi-scenario retail model. At the same time, these new consumer groups have shortened product renewal cycles whilst reducing the continuity of product offerings and mix, making it more challenging to optimise product portfolios.
- Whilst trends towards lower-tier consumption and higher-tier consumption coexist, mass-market consumers are placing greater emphasis on value for money, and high-end consumers are pursuing for quality and experience. This structural shift places greater demands on department store operators in terms of product mix, pricing strategies and store format planning.
- Emerging channels such as online retail, live-streaming e-commerce and quick commerce continue to divert offline consumption from physical stores, posing greater competitive pressure in terms of consumer reach, conversion and repeat purchases on traditional department stores. In particular, in categories such as standardised goods, fast-moving consumer goods and digital products, online channels are having direct impact on department stores due to their price advantages and convenience.

2. IMAGE, REPUTATION AND BRAND VALUE AFFECT STAKEHOLDER CONFIDENCE

- Brands are the core assets of department store retailers. The competitiveness of a brand portfolio, the stability of brand relationships and corporate reputation have direct impact on the market position of a company, brand recruitment capabilities and long-term operational performance. With the rapid development of emerging retail formats such as shopping centres, brands direct flagship stores, neighbourhood retail and duty-free stores, footfall and sales have been diverted from traditional department stores. Competition for high-quality brand resources is increasingly fierce, and brands are adopting a more diversified approach to channel selection. As a result, the Company faces greater competitive pressure in terms of brand recruitment and contract renewal. In particular, in prime commercial districts, homogenised competition has also further increased the difficulty of brand recruitment.
- The recovery of retail brands has been slow, with notable divergence in performance across different product categories and brands with varying market positioning. At the same time, competitors are vying for market share through price wars, member recruitment, the acquisition of exclusive brand resources and digital marketing, placing downward pressure on industry profit margins.
- In the age of social media, negative reviews from consumers regarding service experiences, product quality and price transparency could go viral, creating adverse impact on the brand image and reputation of a company.

3. FOREIGN EXCHANGE RISK

- The Group is mainly exposed to foreign exchange risk arising from HK\$ and USD against RMB. This foreign exchange risk arises from future commercial transactions or recognised assets and liabilities denominated in a currency that is not the functional currencies of the Company and each of the subsidiaries. The functional currency of the Company and most of its subsidiaries is RMB. Therefore, any currency fluctuations may have an impact on the Group's financial condition and results of operations.

4. INTEREST RATE RISK

- The Group is exposed to interest rate risk arising from future unfavourable interest rate fluctuation on the floating rate borrowings. Therefore, any interest rate fluctuations may have an impact on the Group's financial condition and results of operations.



GLOSSARY OF TERMS

GENERAL TERMS

Articles of Association	:	the articles of association of the Company as amended from time to time
Board	:	the board of directors of the Company
China or PRC	:	The People's Republic of China
Chinese Mainland	:	the People's Republic of China, and for the purpose of this annual report only, excludes Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan
Corporate Governance Code	:	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
Director(s)	:	the director(s) of the Company
FY	:	Financial year, 1 July to 30 June
Group	:	NWDS and its subsidiaries
HK or Hong Kong	:	The Hong Kong Special Administrative Region of the PRC
HK\$ or HKD	:	Hong Kong dollar(s), the lawful currency of Hong Kong
Listing Rules	:	the Rules Governing the Listing of Securities on the Stock Exchange
Model Code	:	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
NWCL	:	New World China Land Limited, a wholly owned subsidiary of NWD
NWD	:	New World Development Company Limited, a listed public company in Hong Kong and a substantial shareholder of the Company
NWD Group	:	NWD and its subsidiaries
NWDS or Company	:	New World Department Store China Limited
RMB	:	Renminbi, the lawful currency of the PRC
Shareholder(s)	:	the holder(s) of the share(s) of the Company
Stock Exchange	:	The Stock Exchange of Hong Kong Limited
US\$ or USD	:	United States dollar(s), the lawful currency of the United States of America

FINANCIAL TERMS

		Commission income from concessionaire sales + Sales of goods — direct sales – Purchases of and changes in inventories, net	
Merchandise gross margin	:	$\frac{\text{Proceeds from concessionaire sales} + \text{Sales of goods — direct sales}}{\text{Proceeds from concessionaire sales} + \text{Sales of goods — direct sales}}$	x 100%

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Cheng Kar-shun, Henry GBM GBS (*Chairman*)
Ms. Huang Shaomei, Echo JP (*Vice-chairman*)
Ms. Woo Yuk-kwan Rebecca (*Chief Executive Officer*)
Ms. Chiu Wai-han, Jenny
Mr. Lau Fu-keung
Mr. Chan Yiu-ho

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 and
Registered Public Interest Entity Auditor*

SOLICITORS

Dentons Hong Kong LLP
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
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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER AGENT

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17/F, Far East Finance Centre
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PRINCIPAL BANKERS

Bank of Communications
China Construction Bank
China Guangfa Bank
Hang Seng Bank
Industrial and Commercial Bank of China
Mizuho Bank

STOCK CODE

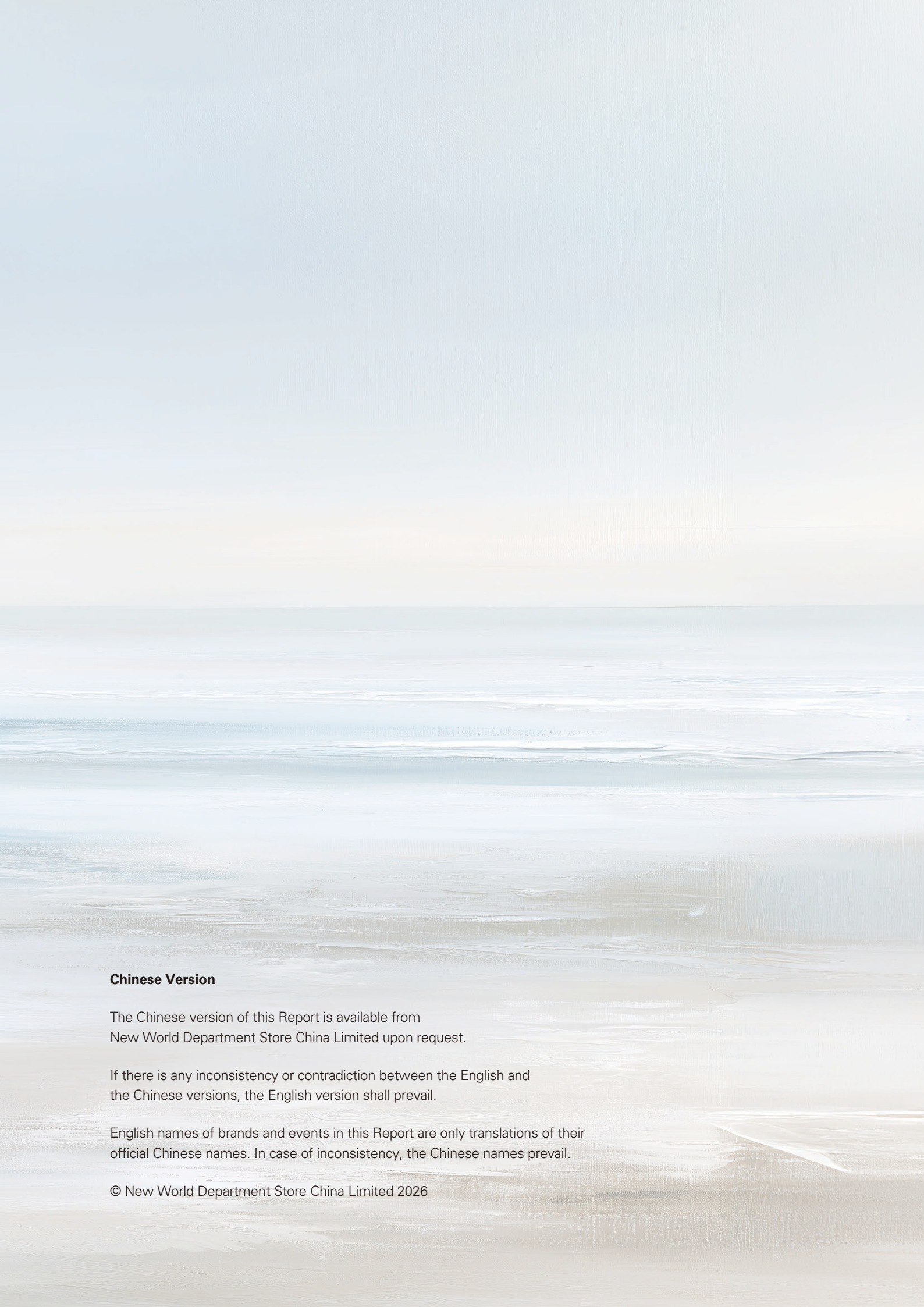
Hong Kong Stock Exchange 825

INFORMATION FOR INVESTORS

For more information about the Group,
please contact the Corporate Affairs Department of
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WEBSITE

www.nwds.com.hk



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
New World Department Store China Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 825)

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Website



WeChat



Weibo

