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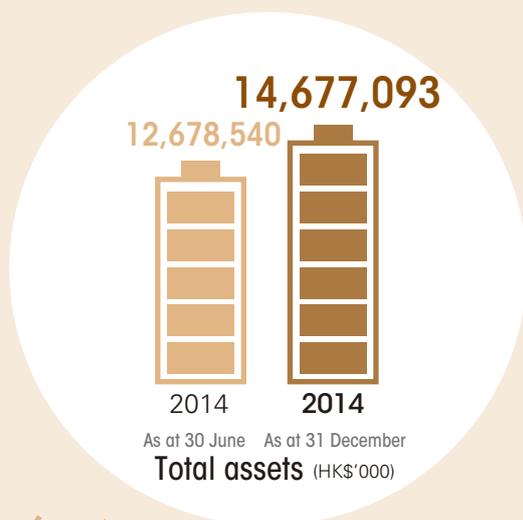
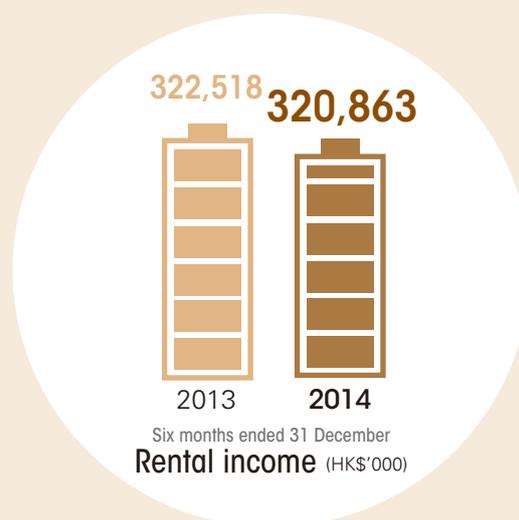
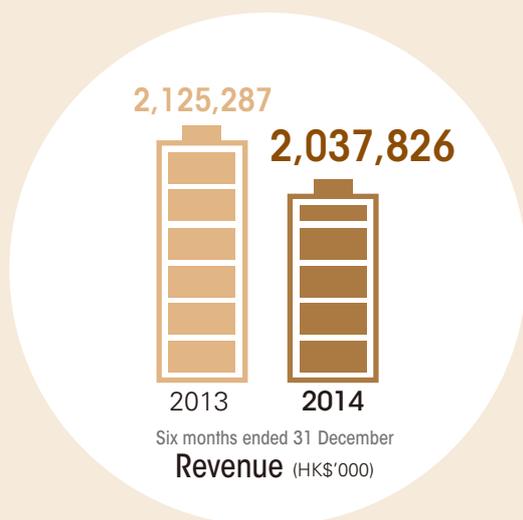
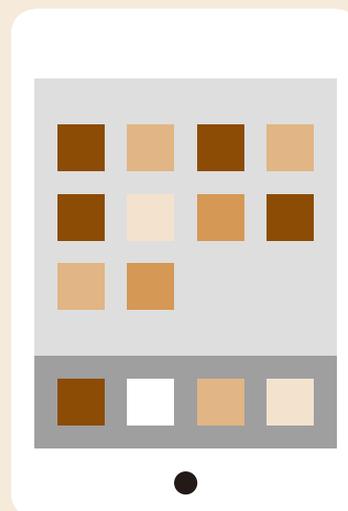
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INTERACTIVE

HAPPY

ENTERTAINMENT

# FINANCIAL HIGHLIGHTS



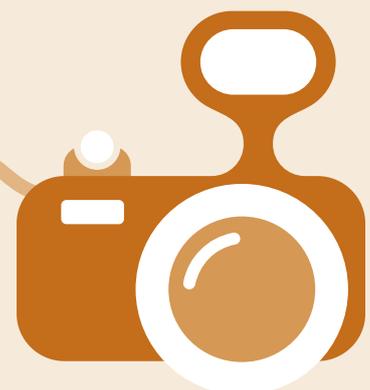
	Six months ended 31 December	
	2014	2013
<b>Financial Ratios</b>		
Revenue growth	-4.1%	4.8%
Commission income rate	18.3%	17.7%
Rental income growth	-0.5%	30.5%
<b>Total assets</b>		
	As at 31 December 2014 HK\$'000	As at 30 June 2014 HK\$'000
<b>Total assets</b>	<b>14,677,093</b>	12,678,540

## FINANCIAL HIGHLIGHTS

Profit for the period:  
**HK\$205,962 thousand**

	Six months ended 31 December	
	2014 HK\$'000	2013 HK\$'000
<b>Operating Result</b>		
Revenue	<b>2,037,826</b>	2,125,287
Representing:		
Commission income from concessionaire sales	<b>1,297,836</b>	1,351,399
Sales of goods – direct sales	<b>374,798</b>	410,328
Management and consultancy fees	<b>44,329</b>	41,042
Rental income	<b>320,863</b>	322,518
Operating Profit	<b>291,180</b>	460,359
Profit for the Period	<b>205,962</b>	349,944

	As at 31 December 2014 HK\$'000	As at 30 June 2014 HK\$'000
	<b>Financial Position</b>	
Fixed deposits, cash and cash equivalents	<b>3,219,915</b>	1,527,112
Total assets	<b>14,677,093</b>	12,678,540
Total liabilities	<b>8,098,141</b>	6,261,997
Total equity	<b>6,578,952</b>	6,416,543



# CHAIRMAN'S STATEMENT



In response to the continuous slowdown of China's economic growth in recent years, the government rolled out the "micro-stimulation" measures during the first half of 2014 but the effect they brought was transient. Companies still struggled in the throes as a result of economic restructuring. Hence, there was no sign for economic recovery in the second half of 2014. Against the backdrop of economic downturn and weakened consumption power, the fundamental changes in Chinese consumer behavior and the intensified competition introduced by e-commerce and shopping malls further hit the department store industry.

Shadowed by the gloomy market, the Group recorded a significant drop in sales of apparel, gold and jewelry and luxury goods during the period under review. Sluggish growth in mature stores and lower-than-expected contributions from new stores added up and hit the Group's commission income from concessionaire sales. In addition, prevailing market conditions dragged the growths of direct sales business and rental income of leasing projects. Furthermore, continuous surge in rental and staff expenses set hurdles to the Group's overall business performance. To cope with these challenges, the Group accelerated its restructuring during the period under review by widening revenue streams to reduce reliance on commission income from concessionaire sales. Furthermore, the Group strengthened its business portfolio and identified department store, shopping mall and direct sales as its three key businesses in the hope of enhancing overall competitiveness in the long run.

For the six months ended on 31 December 2014, the Group's revenue was HK\$2,037.8 million, decreased by 4.1% over the same period of Previous Year. Profit for the period was HK\$206.0 million. Earnings per share was HK\$0.12. The Board of Directors resolved to distribute an interim dividend of 6.1 HK cents per share.

During the period under review, in view of the slower-than-expected economic growth in third- and fourth-tier cities, the Group revised its expansion strategies and shifted the focus to strengthening its existing business footholds such as Beijing and Shanghai. In November 2014, the Group opened its 12<sup>th</sup> self-owned store in Shanghai, Shanghai 118 Branch Store, which is its first large-scale department store-shopping mall hybrid retail project, with a total GFA of approximately 62,600 sq.m. in which approximately 40,000 sq.m. commenced operation. As at 31 December 2014, the Group operated and managed 39 self-owned stores and four managed stores, with a total GFA of approximately 1,678,080 sq.m.

For department store business, the Group accelerated its store transformation during the period under review through introducing lifestyle complementary facilities, such as restaurants, beauty salons and cinemas, and increasing the proportion of leasing projects in order to enhance customers' shopping experience. Furthermore, the Group further strengthened the "Happy New World" concept introduced in June 2014, which integrates the fantasy ambience of large theme parks and the relaxing shopping experience of department stores, by further enhancing its in-store children's recreational facilities to attract family customers. For shopping mall business, the Group set up the Shopping Mall Business Department in July 2014 and adjusted the market positioning of Shanghai Shaanxi Road Branch Store and Shanghai Hongxin Trendy Plaza along with a total makeover on their façade, merchandise and tenant mix. For direct sales business, the Group set up its own procurement team which operates in a direct procurement model to purchase merchandise directly from suppliers and acquire brand distribution rights. During the period under review, LOL made use of dual sales channels by increasing the number of its Concept Shops to 13 and setting up an online flagship store on Tmall.com. In January 2015, the Group acquired Well Metro Group in an attempt to further develop the two apparel brands it represents, Moschino and REDValentino, and to leverage its procurement expertise for the expansion of the Group's direct sales business.

## CHAIRMAN'S STATEMENT

During the period under review, the Group took a remarkable step in sustainable development by publishing its first standalone sustainability report. The report was written with reference to the *Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines*, the latest international standards, to detail the Group's measures and activities executed in the aspects of community services, environmental protection, staff benefits and development as well as operating practices in FY2014. These activities included the annual performance of the "@Dream Program" with nearly 700 guests witnessing the achievements made by the benefited children during the past year; title-sponsoring and supporting the "NWDS Sowers Action Challenging 12 Hours Charity Marathon 2014" for the first time in the form of sponsorship, enthusiastic participation and volunteering; holding the "Green Mid-Autumn Festival – Moon Cake Box Recycling Campaign" for the fourth consecutive year and pioneering "the Moon Cake Box Creative Design Competition" with about 420 entries to promote waste recycling; developing an advanced APP-based staff training course which contents are in line with the Group's new businesses to reduce cost while expanding outreach. During the period under review, the Group continued to encourage employees to participate in volunteer work and organized about 110 volunteer activities. NWDS Volunteer Team expanded to a scale of about 2,300 members and contributed about 1,850 service hours.

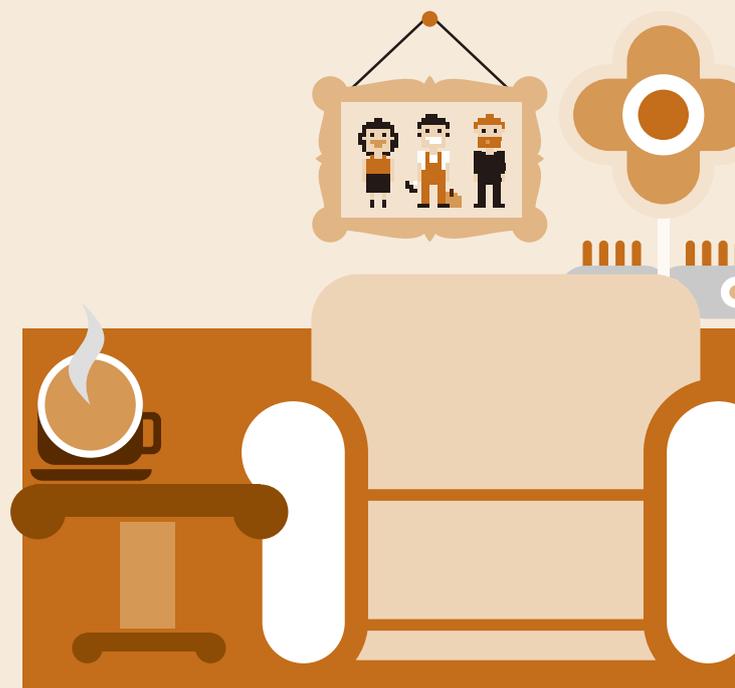
Looking ahead, the market expects China will continue to deepen its economic restructuring, leading to a slow economic growth. Hence, the government declared to carry through proactive fiscal policies and stable monetary policies in 2015 in a bid to relieve the downward pressure. However, sluggish income growth and other factors will continue to constrain consumption growth. In addition, challenges brought by e-commerce, shopping malls and brand stores are expected to exert great pressure on traditional department store industry continuously. Therefore, the Group will strive to stabilize its overall revenue through optimizing the three key businesses, expanding

revenue streams and leveraging O2O to drive sales in physical stores. Moreover, the Group plans to consolidate internal resources and exercise stringent cost control to withstand the difficult operating environment.

On behalf of the Board of Directors, I would like to express my heartfelt gratitude to all shareholders, customers and business partners for their continuous support to the Group, as well as to the whole-hearted devotion and tireless efforts of the management team and all fellow staff members. We are committed to sustaining the Group's long-term development and ensuring a reasonable return on investment for our shareholders.

**Dr. Cheng Kar-shun, Henry**  
*Chairman*

Hong Kong, 26 February 2015



# MILESTONES



## 2014

### JULY

- Garnered the Nomination Award in the category of “Corporate Social Responsibility” in the “11<sup>th</sup> China Golden Awards for Excellence in Public Relations” with the “@Dream Program”
- Launched a national table tennis competition, “Happy Ping-Pong”, in five major cities and invited many celebrities to promote the event to introduce the new “Happy New World” concept
- NWDS Management Academy’s “Core Talents Nurturing Plan” won the “Value Case Award” and the “Best Practice Award” in the “China Learning & Development Value Awards 2014” organized by the HR Excellence Center
- FY2013 Annual Report won the Silver Award in the category of “Traditional Annual Report: Retail: Convenience & Dept. Stores” in the 2014 International ARC Awards

### AUGUST

- FY2013 Annual Report won the Gold Award in the category of “Annual Report: Consumer Services” and the Honors Award in the category of “Best Annual Report Narrative”, and became one of the “Top 80 Asia-Pacific Annual Reports” and the “Top 20 Chinese Reports” in the LACP 2013 Vision Awards Annual Report Competition

- Set up online LOL Concept Shop on Tmall.com, adopting an omni-channel promotional strategy
- Held the first “Outstanding Volunteers and Volunteer Stars Selection Contest” in recognition of the Group’s outstanding volunteers

### SEPTEMBER

- Organized its nationwide green activity, “Green Mid-Autumn Festival – Moon Cake Box Recycling Campaign”, for the fourth consecutive year and inaugurated the “Moon Cake Box Creative Design Competition” with about 420 entries to promote waste recycling
- Staged the annual performance of the “@Dream Program” at Shanghai Jiao Tong University to enable the benefited students to showcase their learning results over the past year

### OCTOBER

- Garnered the honor of the “Asia’s Most Promising Company on Corporate Governance” in the “10<sup>th</sup> Corporate Governance Asia Recognition Awards 2014 – The Best of Asia”
- FY2013 Annual Report won the “Citation for Design” in “2014 Best Annual Reports Awards” organized by The Hong Kong Management Association for the first time

- FY2013 Annual Report won the Gold Award in the category of “Annual Reports – Overall Presentation: Retail – Department Store” in the 2014 Galaxy Awards
- Hong Kong office successfully reduced carbon emissions by 4% in FY2014 and was awarded the “Carbon Reduction Certificates” in the “Carbon Reduction Certificates Scheme” under the “Hong Kong Awards for Environmental Excellence”

### NOVEMBER

- Title-sponsored the “NWDS Sowers Action Challenging 12 Hours Charity Marathon 2014” for the first time, making a donation of HK\$450,000 and organizing “Half-Hour Parent-Child Sowers Action Hunt Challenge” at all stores concurrently to raise customers’ awareness on under-resourced students in Mainland China
- Opened its 12<sup>th</sup> self-owned store in Shanghai, Shanghai 118 Branch Store, with a total GFA of approximately 62,600 sq.m. in which approximately 40,000 sq.m. commenced operation. It is the Group’s first large-scale retail project that adopts a department store-shopping mall hybrid model
- Won the Honors Award in the “Redesign/Relaunch: Retail” category in the 2014 iNOVA Awards with its revamped corporate website



## DECEMBER

- Presented its first standalone sustainability report, “NWDS Sustainability Report 2014”, which made NWDS one of the first department store chain operators in Mainland China to publish such a report
- Won the Gold Award in the category of “Financial Performance, Corporate Governance and Environmental Responsibility” of “The Asset Corporate Awards 2014”
- Hong Kong office was awarded the “Green Office” label as well as the UNMDG’s “Better World Company” label from the World Green Organization’s “Green Office Awards Labelling Scheme” for the second consecutive year
- “@Dream Program” was honored by the Youth Welfare Alliance as one of the “Annual Outstanding Community Programs”
- Hong Kong office was granted the “Certificate of Appreciation” and the “Progress Award” in the “Power Smart Energy Saving Contest 2014” organized by Friends of Earth

- Appointed Korean pop star, Jun Ji-hyun, as the Group’s ambassador and launched a nationwide inter-store marketing campaign, “Your Happiness Counts on Me”, to embody the Group’s stylish image
- NWDS Management Academy was accredited as the “China’s Best Corporate University” in the “Chinese Corporate University Rankings” for the second consecutive year, while its LOL Products and Brand Knowledge Enhancement Application, which was developed for training sales people, was awarded the honor of “2014 Chinese Corporate University – Top Ten Innovative Practices”
- Hong Kong office was presented the “Hong Kong Community Volunteers (Corporate Member) Certificate of Appreciation” by the Agency for Volunteer Service with a total of 346.5 service hours

## 2015

### JANUARY

- Launched the “@Sports – Cool Soccer” training program with Shanghai Changning District Sports Association to provide an elementary soccer course to under-resourced children
- Garnered the “2014 China Charity – Group Award” in “2014 China Charity Festival”, while its “@Dream Program” and the nationwide environmental activity, “Go Green with NWDS”, won the honor of “2014 Best Charity Project” and “2014 Best Green Project” respectively
- Acquired Well Metro Group, which engaged in the distribution and retailing of fashion apparels and accessories in Mainland China, to expand the Group’s direct sales business

# BUSINESS REVIEW

The Group's revenue declined by 4.1% from HK\$2,125.3 million for the six months ended 31 December 2013 (or "1H FY2014" or "the same period of Previous Year") to HK\$2,037.8 million for the six months ended 31 December 2014 (or "1H FY2015" or "the Current Period"). Profit for the Current Period was HK\$206.0 million.

## BUSINESS NETWORK

During the Current Period, the Group operated 41 department stores and two shopping malls, with a total gross floor area ("GFA") of about 1,678,080 square metres ("sq.m.") and a total operating floor area ("OFA") of about 1,348,590 sq.m. Located in three operating regions, namely Northern China, South Eastern China and Central Western China, the stores covered 21 major cities in Mainland China, including Wuhan, Shenyang, Harbin, Tianjin, Ningbo, Beijing, Shanghai, Dalian, Kunming, Lanzhou, Changsha,

Chongqing, Chengdu, Anshan, Nanjing, Zhengzhou, Mianyang, Yancheng, Xi'an, Yanjiao, and Yantai with 39 self-owned stores and four managed stores.

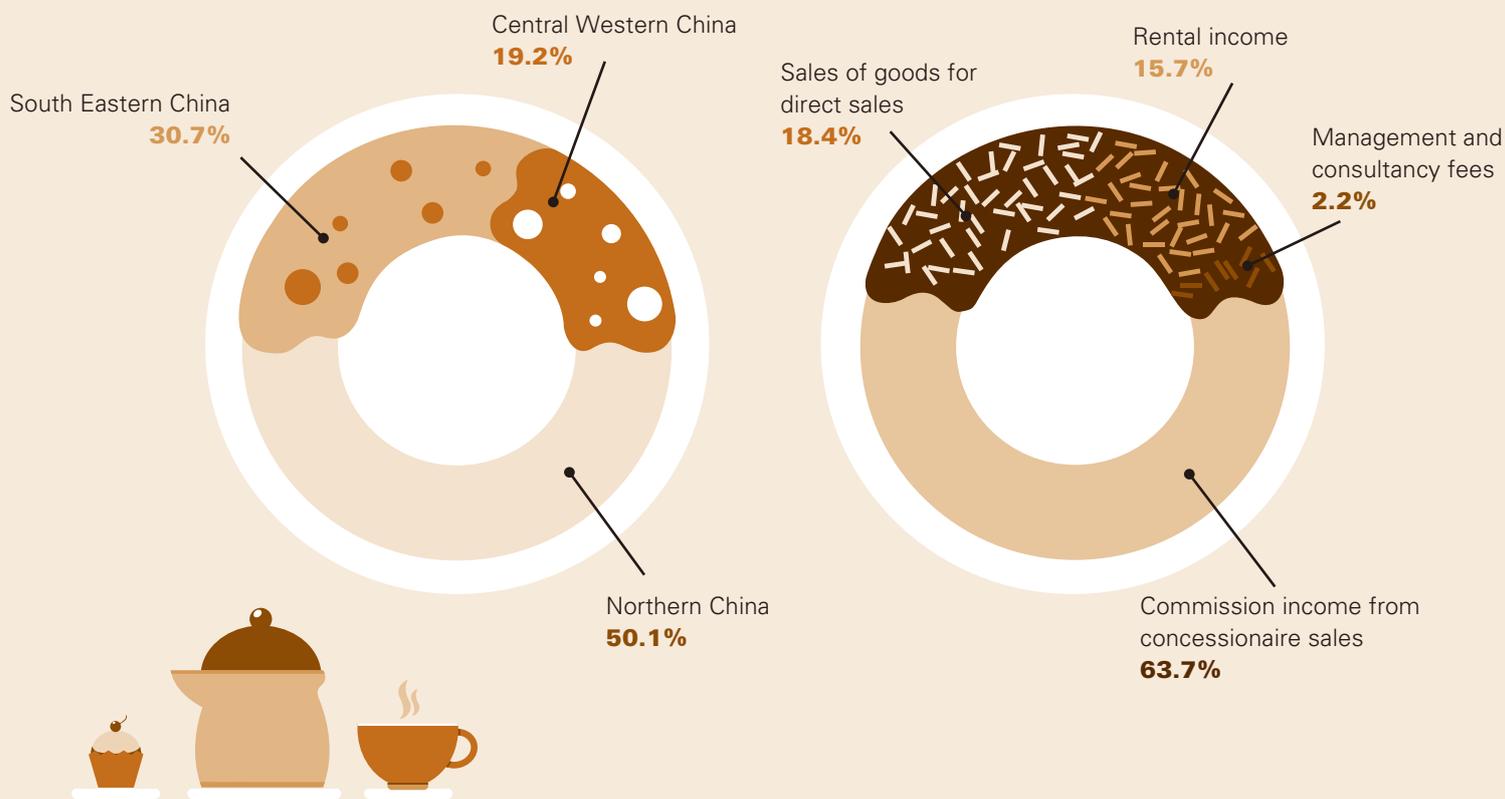
## REVENUE CONTRIBUTION

### By Region

The Northern China Region contributed the most to the Group's revenue during the period under review, accounting for 50.1% of revenue, followed by the South Eastern China Region and the Central Western China Region, accounting for 30.7% and 19.2%, respectively.

### By Segment

Commission income from concessionaire sales was the major source of income, accounting for 63.7% of revenue. Sales of goods for direct sales and rental income accounted for 18.4% and 15.7% respectively. Management and consultancy fees accounted for 2.2%.



### STORE NETWORK DEVELOPMENT

During the period under review, the Group soft-opened its 12<sup>th</sup> self-owned store in Shanghai, Hong Kong New World Department Store – Shanghai 118 Branch Store (“Shanghai 118 Branch Store”), with a total GFA of approximately 62,600 sq.m. in which approximately 40,000 sq.m. commenced operation. It is the Group’s first large-scale retail project that adopts a department store-shopping mall hybrid model, further reinforcing its market presence in Shanghai. As at 31 December 2014, the Group’s total GFA was approximately 1,678,080 sq.m. The total GFA of self-owned stores was approximately 1,522,380 sq.m.

### OPERATIONS STRATEGIES

During the period under review, China’s economic growth continued to slow down. The intensified competition brought by e-commerce and shopping malls, coupled with consumers’ diverse needs and rising operating expenses, deteriorated the operating environment persistently. Therefore, traditional retail companies are under great pressure for fundamental transformation, such as precise market positioning and optimized merchandise and service portfolio, in order to be on the right track for long-term development. In response to these challenges, the Group accelerated its restructuring during the period under review through widening its revenue streams to reduce reliance on commission income from concessionaire sales. The Group also revamped its operational structure from the former sole-department store model to a diversified business model comprising department store, shopping mall and direct sales businesses, strengthening its expertise in each business area so as to improve gross margin and overall competitiveness.

#### Activating Cost Control Mechanism and Looking into Store Resources Consolidation

Amid market downturn and stagnant consumer sentiment, huge rental expenses and increasing staff expenses became the two main reasons for the Group’s reduced profit during the period under review. Therefore, the Group activated its cost control mechanism during the period under review and will re-examine and consolidate its store network in an attempt to lower rental and staff expenses.

#### Nurturing Middle Class Customers with Mid-to High-end and Exclusive Merchandise

In the highly competitive retail market in Mainland China, differentiated merchandise is the key to enhancing customers’ shopping experience. Targeting China’s middle class, the Group completed a brand elimination and introduction exercise in categories such as gold and jewelry and ladies’ casual wear during the period under review and concurrently introduced a spectrum of world-renowned and exclusive brands to the stores in a bid to gradually increase ticket price in which Wuhan New World Department Store (“Wuhan Store”) and Wuhan New World Department Store – Wuchang Branch Store further upgraded their jewelry counters’ furnishing with more exquisite ones. To mitigate e-commerce’s impact on the sales of mass apparel brands, the Group refined its merchandising strategies on ladieswear by introducing more mid-to high-end brands targeting mature ladies, such as MYTENO, Dyar and FEIZI, as well as designer brands, such as S.DEER and MOSST.

During the period under review, Lanzhou New World Department Store (“Lanzhou Store”), Beijing New World Liying Department Store (“Beijing Liying Store”) and Xi’an New World Department Store also introduced some new-to-the-region brands, such as Mix Blu, Z11, SKINFOOD and FILA, to the stores to enhance the uniqueness of their merchandise mix. Furthermore, in-store shopping environment was further improved through the optimization of counter design and the replacement of tall island cabinets with mixed-height cabinets in the atrium to increase visual transparency.

#### Expanding Leasing Area to Create “Happy New World”

Catering to Chinese consumers’ needs for one-stop shopping, the Group has adopted a hybrid business model since 2009. Other than operating the concessionaire business, the Group has actively introduced cinemas, beauty centers, English schools, themed restaurants, food courts and other leasing projects into the stores to increase the proportion of in-store lifestyle complementary facilities. Since dining is one of the most appealing leasing projects to customers, the Group exerted great efforts in introducing food and beverage tenants, such as STARBUCKS, BURGER KING, TAMAYAKI, Ricky Duck,

## BUSINESS REVIEW

Iceason and other unique dining brands, into the stores during the period under review. Beijing Shishang New World Department Store set up food stalls and restaurants at different parts of the premises on top of the existing designated dining floor while Hong Kong New World Department Store – Shanghai Changning Branch Store added Hong Kong-style dim sum and dessert restaurants to compose a specialty dining floor.

On the other hand, acknowledging that children's facilities are effective means to extend customers' duration of stay, the Group introduced the "Happy New World" concept in June 2014 and improved its in-store children's recreational facilities. For instance, Shanghai 118 Branch Store opened in November 2014 has a 2,000-sq.m. indoor children's playground which consists of a beach-style amusement park, merry-go-rounds, mechanical rides and other entertainment facilities to embody the theme park concept. In addition to hardware optimization, the Group further enriched its children's merchandise portfolio through the introduction of children brands, such as JJJ, Toread Outdoor Products, Totguard and Toys"R"Us. In October 2014, 12 animal cartoons were appointed as Happy New World's spokespersons to position the Group as a theme-park-style department store.

### **Introducing Direct Procurement and Acquisition of Brand Distribution Rights to Expand Direct Sales Business**

During the period under review, the Group established its own procurement team to develop its direct sales business through direct procurement and the acquisition of brand distribution rights which help extend operational differentiation. During the period under review, the Group's private label, LOL (Love • Original • Life) Concept Shop, organized branded promotional events and new product parties frequently along with esteemed customer services and exclusive shopping discounts, such as discounted flight tickets with Hong Kong Airlines, to nurture loyal customer cluster. As of now, the Group set up 13 LOL Concept Shops across the country and an online flagship store on Tmall.com, developing its LOL business with both offline and online channels.

### **Expanding Shopping Mall Business to Meet Consumers' Diverse Needs**

Considering that retail complexes can better accommodate consumers' diverse needs, the Group has begun to accommodate leasing projects into department stores' premises and operate in the department store-shopping mall hybrid model since 2009. Following the acquisition of two shopping malls took place in 2011 and 2013, the Group accumulated the relevant operating experience and set up the Shopping Mall Business Department during the period under review. The department is responsible for operating and managing the Group's shopping mall projects, namely Hong Kong New World Department Store – Shanghai Shaanxi Road Branch Store ("Shanghai Shaanxi Road Branch Store"), Shanghai Hongxin Trendy Plaza and the shopping mall session of Shanghai 118 Branch Store which is expected to be opened in 2015, in a modern shopping mall asset management model. During the period under review, Shanghai Shaanxi Road Branch Store and Shanghai Hongxin Trendy Plaza were repositioned to target young families and fashionista respectively and the latter completed an exterior renovation to enhance its overall competitiveness.

### **Establishing Long-term Strategic Cooperation Through Head Office-Head Office Partnerships**

For brand introduction, the Group has established a dedicated task force to facilitate head-office-level communications with large brands to jointly sketch their nationwide development roadmap at New World Department Store ("NWDS"), so as to enhance resources sharing and reduce brand maintenance cost with economies of scale. During the period under review, the Group introduced some well-known musical instrument and education chains into the stores and commenced long-term strategic cooperation with some international brands.

## BUSINESS REVIEW

In addition, the Group attaches great importance to its relationships with existing suppliers. The “Head office – Region – Store” three-tier supplier management system was implemented to carry out tiered relationship maintenance with a focus to strengthen partnerships with strategic brands. As leasing projects have become one of the important sources of income, the Group extended the scope of high maintenance categories to well-known food and beverage companies as well as tenants providing lifestyle and children-related services so as to foster long-term strategic partnerships.

### Leveraging E-commerce to Tap into O2O Market

In this Internet era, increasing internet penetration fosters the growth of digital retail market. In view of that, on top of organizing promotional activities at physical stores, the Group actively cooperated with Tencent, Alibaba and other e-commerce platforms to leverage their resources on its O2O (Online-to-Offline) marketing campaigns, for instance, launching group-buying coupons with Baidu Nuomi.com in Shanghai’s “6<sup>th</sup> Non-stop Mega Sales” and Lanzhou Store’s 9<sup>th</sup> Anniversary Mega Sales, while distributing shopping vouchers and speed dating event tickets through WeChat and Mobile Taobao during the “Double Eleven” period, in order to drive online users to physical stores. Also, the Group utilized WeChat to carry out customer relationship maintenance; for instance, Beijing New World Department Store conducted survey and gift giveaways on WeChat as a cost-effective way to understand and bond with customers. During the period under review, total number of NWDS’ Weibo and WeChat users were about 6.1 million and 1.11 million respectively. For in-store O2O fulfillment, the Group optimized its Wi-Fi facilities during the period under review to facilitate in-store mobile sales notification and reduced customers’ queuing time at the cashier significantly with extra mobile POS machines during shopping seasons and promotional period, enhancing customers’ shopping experience.

### Optimizing VIP Services to Improve Members’ Satisfaction

During the period under review, the Group launched the new “Diamond N-VIP” card which has the highest application threshold to nurture high-spending customer cluster. Furthermore, the Group gradually perfected its VIP member benefits by introducing jewelry cleaning, eyebrow trimming, hand caring and other services. The Group also cooperated with brands, food and beverage and entertainment tenants to expand VIP members’ bonus points earning channels. For instance, VIP members could earn NWDS bonus points with the purchase of Ctrip travel products in the “We Pay For Your Travel” campaign. During the period under review, the total number of the Group’s VIP members was over 4 million.

### EXPANSION STRATEGIES

During the period under review, the government’s anti-corruption policies weakened the overall consumer sentiment in Mainland China. Severely hit by online stores and shopping malls, the sales growth of physical stores slowed down significantly. In view of the overall sluggish economy and heightened competition, the Group will adopt a prudent and conservative approach and will take the operating environment, potential growth and returns of a prospective market into careful consideration in business development. Also, the Group will consider consolidating its store network according to the market conditions to control rental expenses. When selecting store location, the Group will carry through its “multiple presences within a single city” and “radiation city” strategies. Concurrently, the Group will extend its network to potential third- and fourth-tier cities in the neighborhood in a “low-risk, low-investment” manner through the provision of management and consultancy services.

During the period under review, the Group soft-opened its 12<sup>th</sup> self-owned store in Shanghai, Shanghai 118 Branch Store, with a total GFA of approximately 62,600 sq.m. in which approximately 40,000 sq.m. commenced operation. It is the Group’s first large-scale retail project that adopts a department store-shopping mall hybrid model, further reinforcing its scale advantages in Shanghai.

## BUSINESS REVIEW

To further enrich consumers' shopping experience, the Group will continue the Shenyang Nanjing Street Branch Store Phase I Redevelopment Project and the expansion of Shenyang Nanjing Street Branch Store Phase II Project. Upon the completion of these projects, the premise will become a department store with a total GFA of over 50,000 sq.m. Furthermore, the Group plans to open a managed store in Jiamusi City, Heilongjiang Province and offer consultancy services for real estate projects in third- to fourth-tier cities to boost revenue and to acquire deeper understanding of the operating environment and development potential of the local market where the managed store situates in the process.

### OUTLOOK

The "micro-stimulation" measures introduced by the Chinese government during the first half of 2014 provided transient stimulation to the sluggish economy. However, economic recovery slowed down under the shadow of overcapacity, adjustments in the real estate market and fluctuations triggered by economic restructuring. As a result, China's economic growth in the second half of the year continued to decline. According to the National Bureau of Statistics of the People's Republic of China, Gross Domestic Product ("GDP") in 2014 grew 7.4% year-on-year. Total retail sales of consumer goods amounted to RMB26,239.4 billion, representing a real growth of 10.9%. Both figures showed comparative decrease from the previous year, indicating that the consumer market has entered the hard times of sluggish growth.

In 2015, although the US economy is expected to regain momentum from the improvements in employment market and increasing consumer spending, many European countries are still dealing with the aftermath of the financial crisis, adding uncertainties to the economic outlook. Besides, as China's ongoing economic restructuring has encumbered its growth, it is expected that the domestic retail market will continue to be shrouded in haze.

In this difficult operating environment, the industry is not expected to recover in the short term. In addition to the kick-start of operating expenses control through store consolidation and staff reallocation, the Group strives to strengthen its overall competitiveness by continuing to adopt a diversified business model comprising department store, shopping mall and direct sales businesses, expand its revenue streams, and actively deploy O2O and cross-industry marketing strategies. On the other hand, the Group will adopt prudent and conservative expansion strategies to strengthen its presence in first- and second-tier cities while seizing the new prospects brought by new urbanization with the "low-risk, low-investment" approach to explore new stronghold with consumption potential, preparing itself for the upcoming growth opportunities.

# MANAGEMENT DISCUSSION & ANALYSIS

## FINANCIAL REVIEW

### Revenue

Revenue of the Group was HK\$2,037.8 million in 1HFY2015 representing a decline of 4.1% from HK\$2,125.3 million in 1HFY2014.

Gross sales revenue, comprising gross revenue from concessionaire sales, sales of goods for direct sales, management and consultancy fees, rental income and other income decreased by 6.3% to HK\$7,928.4 million in 1HFY2015 from HK\$8,465.4 million in 1HFY2014. Gross revenue from concessionaire sales decreased to HK\$7,072.7 million from HK\$7,621.5 million in the same period of Previous Year. Commission income rate increased from 17.7% in the same period of Previous Year to 18.3% in the Current Period. The increase was primarily due to drop in sales of gold and jewelry which had a lower margin as well as generally improved commission income rates for certain major categories. Sales of goods for direct sales was HK\$374.8 million in 1HFY2015 compared with HK\$410.3 million in 1HFY2014. Direct sales revenue mainly comprised sales of groceries, housewares and perishables (approximately 52.7%), cosmetic products (approximately 45.6%), as well as ladieswear, menswear, accessories and miscellaneous items (approximately 1.7%). Gross margin of direct sales was 13.5% compared to 14.9% in the same period of Previous Year. The drop was mainly due to decrease in gross margin for cosmetic products. In 1HFY2015, ladieswear and accessories made up approximately 65.8% of gross revenue from concessionaire sales and sales of goods for direct sales. Menswear and accessories made up approximately 15.7% and sportswear, bread and snacks, electrical appliances, kidswear and personal care products largely made up the rest.

Management and consultancy fees was HK\$44.3 million in 1HFY2015 showing an increase by 8.0% from HK\$41.0 million in 1HFY2014. The increase was primarily due to Group's recognition of fees for the provision of consultancy services for some new managed store projects which were at pre-opening stage in the Current Period.

Rental income slightly decreased by 0.5% to HK\$320.9 million in 1HFY2015 due to tenant mix revision and deferred revamp in both Shanghai Hongxin Trendy Plaza and Shanghai Shaanxi Road Branch Store, as well as the closure of Wuhan New World Department Store – Qiaokou Branch Store during the Current Period.

### Other Income

Other income of the Group was HK\$115.7 million in 1HFY2015 compared with HK\$70.0 million of 1HFY2014. Other income in 1HFY2015 mainly comprised HK\$48.7 million of income from suppliers, HK\$13.1 million of government grants and HK\$26.7 million of compensation for termination of lease.

### Changes in Fair Value of Investment Properties

Changes in fair value of investment properties in the Current Period was HK\$2.3 million which related to the properties of Shanghai Shaanxi Road Branch Store, Shanghai Hongxin Trendy Plaza and Tianjin New World Department Store.

### Other Gain/Loss, Net

Other Gain, net of the Group in the Current Period was HK\$6.9 million which was primarily resulted from the inclusion of HK\$10.1 million gain on liquidation of a subsidiary in Wuxi City.

### Purchases of and Changes in Inventories

The purchases of and changes in inventories represented the cost of sales for direct sales of goods. It decreased by 7.2% to HK\$324.2 million in 1HFY2015 from HK\$349.4 million in 1HFY2014. The decrease was in line with the decrease in sales of goods for direct sales in the Current Period.

### Employee Benefit Expense

Employee benefit expense increased to HK\$377.6 million in 1HFY2015 from HK\$316.9 million in 1HFY2014. This increase was primarily due to the increase in wages and salaries, retirement benefit costs and other employee benefits as a result of recognising a full-period operation of Shanghai Hongxin Trendy Plaza acquired on 30 July 2013, the

## MANAGEMENT DISCUSSION & ANALYSIS

conversion of Hong Kong New World Department Store – Shanghai Wujiaochang Branch Store (“Shanghai Wujiaochang Branch Store”) from a managed store to a self-owned store in November 2013 and the opening of Yantai New World Department Store (“Yantai Store”) in December 2013. In addition, the newly opened Shanghai 118 Branch Store in November 2014 also contributed to the increase of employee benefit expense in the Current Period.

### Depreciation and Amortisation

Depreciation and amortisation expense increased from HK\$156.4 million in 1HFY2014 to HK\$171.1 million in 1HFY2015. The increase was mainly contributed by recognising a full-period operation of Shanghai Hongxin Trendy Plaza, Shanghai Wujiaochang Branch Store and Yantai Store acquired or opened in FY2014.

### Operating Lease Rental Expense

Operating lease rental expense increased to HK\$585.5 million in 1HFY2015 from HK\$488.8 million in 1HFY2014, primarily due to recognising a full-period operation of Shanghai Wujiaochang Branch Store and Yantai Store acquired or opened in FY2014 and the newly opened Shanghai 118 Branch Store in November 2014.

### Other Operating Expenses, net

Other operating expenses decreased to HK\$413.1 million in 1HFY2015 from HK\$429.9 million in 1HFY2014. The decrease was mainly due to an exchange gain of HK\$15.4 million included in other operating expenses in 1HFY2015.

### Operating Profit

Operating profit was HK\$291.2 million in 1HFY2015 compared with HK\$460.4 million in 1HFY2014.

### Income Tax Expense

Income tax expense of the Group was HK\$96.4 million in 1HFY2015 compared with HK\$123.0 million in 1HFY2014. The effective tax rate of the Group in 1HFY2015 was 31.9%.

### Profit for the Period

As a result of the reasons mentioned above, profit for the period decreased by 41.1% to HK\$206.0 million compared with HK\$349.9 million in the same period of Previous Year.

### Liquidity and Financial Resources

Cash and fixed deposits of the Group amounted to HK\$3,219.9 million as at 31 December 2014 (30 June 2014: HK\$1,527.1 million).

The Group’s borrowings from banks as at 31 December 2014 was HK\$1,581.3 million (30 June 2014: HK\$696.8 million) of which HK\$506.3 million (30 June 2014: HK\$500.0 million) was secured by pledge of assets.

At 31 December 2014, the Group’s current liabilities exceeded its current assets by HK\$694.3 million (30 June 2014: HK\$1,631.1 million). The Group will continue to monitor rolling forecasts of the Group’s liquidity requirements to ensure it has sufficient cash to meet operational needs and its liabilities and commitments as and when they fall due.

The capital commitment of the Group as at 31 December 2014 were HK\$508.7 million, of which HK\$506.3 million were contracted but not provided for in the statement of financial position. For the contractual payment of HK\$506.3 million, approximately HK\$400.3 million is for the redevelopment project of a building in Shenyang City.

### Pledge of Assets

As at 31 December 2014, investment properties of HK\$1,926.6 million (30 June 2014: HK\$1,900.0 million) of the Group were pledged as securities for bank borrowings of HK\$506.3 million (30 June 2014: HK\$500.0 million).

### Treasury Policies

The Group mainly operates in Mainland China with most of the transactions denominated in Renminbi except for the Hong Kong dollars denominated bank borrowing. The Group is exposed to foreign exchange translation risk, arising from the exposure of Hong Kong dollars against Renminbi. The Group has not used any forward contracts to hedge its foreign exchange risk. The Group manages its foreign exchange risk by performing regular reviews of the Group’s net foreign exchange exposures.

### Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 December 2014.

# CORPORATE SUSTAINABILITY

**Corporate sustainable development has always been a priority for the Group. In December 2014, the Group published its first standalone sustainability report to share the initiatives taken in community services, environmental protection, staff benefits and development and operating practices in FY2014 with its stakeholders. The Group established NWDS Volunteer Team in 2013 to put the mission of caring community into practice. During the period under review, the volunteer team grew to a scale of nearly 2,300 people, contributing about 1,850 service hours. Furthermore, the Group held about 110 volunteer activities in partnership with numerous schools and non-profit organizations as well as its first “Outstanding Volunteers and Volunteer Stars Selection Contest” to encourage more employees to participate in volunteer work.**

## COMMUNITY SERVICES

During the period under review, the Group adhered to the spirit of “giving back to society” and held over 240 community activities, with a wide spectrum of target beneficiaries from under-resourced children to the elderly.

### @Dream Sustainable Development Program

In July 2013, the Group launched a nationwide sustainable community project, “@Dream Sustainable Development Program” (“@Dream Program”), to foster the whole-person development of under-resourced children. During the period under review, the Group concluded the effectiveness of the program’s first-year results and planned to deepen its music and sports sessions, so as to help more under-resourced children spread their wings.

As the benefited children of the “@Dream Program” began to master their skills after one-year training, the Group organized the program’s first annual performance with nearly 700 guests from all walks of life at Shanghai Jiao Tong University in September 2014. About 100 students showcased their learning results over the past year by staging a series of performances, such as saxophone performance, tennis dance and Tibetan plateau dance, and deeply impressed the audience.

With sports being one of the pillars of the “@Dream Program”, the Group partnered with *Youth Daily* again and organized the “@Sports – Soccer Dreams” activity to solicit soccer balls and related gear from the public at 10 Shanghai stores during World Cup from June to July 2014. At the donation presentation ceremony, Mr. Cheng Yaodong, coach of Shanghai Shenxin Football Club, and Mr. Wang Yun, player of the Chinese

Football Association Super League, were invited to give a spectacular soccer lesson to about 70 migrant children who are passionate about soccer, sharing the fun of the World Cup.

Furthermore, following the previous success of the “@Soul – Wish upon a Star” campaign, the Group kicked off the second phase of school supplies collection at Shanghai stores in collaboration with Shanghai Children’s Medical Center before the new school year, collecting over 1,500 pieces of school supplies and toys from the public. NWDS Volunteer Team helped transfer the materials to the sick children in the Center and encouraged them to fight against illness and go after their dream to study.

### Title-Sponsoring the “NWDS Sowers Action Challenging 12 Hours Charity Marathon 2014” for the First Time

Adhering to the spirit of “giving back to society”, the Group became the title sponsor of the “NWDS Sowers Action Challenging 12 Hours Charity Marathon 2014” for the first time. Many NWDS staff took the initiatives to participate and volunteer in the marathon and made a donation of HK\$450,000 in total. This year’s marathon attracted about 2,220 participants and created a record-breaking donation in 16 years of more than HK\$2.7 million for the poor high school students in Mainland China.

In order to extend the marathon fever in Mainland China, “Half-Hour Parent-Child Sowers Action Hunt Challenge” was held at NWDS stores on the same day. Utilizing both online and offline channels, such as Weibo, WeChat and in-store promotions, the Group successfully recruited more than 450 family teams, totaling about 1,000 participants, and effectively raised customers’ awareness on the marathon.

## CORPORATE SUSTAINABILITY

### **Volunteer Team Cares for Children and the Elderly**

During the period under review, NWDS Volunteer Team organized many activities to care for children and the elderly. During Christmas time in 2014, NWDS Volunteer Team held a nationwide hula hoop themed volunteer activity, "Merry Hula Hooping Christmas", with numerous non-profit organizations across the country. More than 200 "big brothers" and "big sisters" volunteered to put on Santa Claus costumes and spent a healthy and happy Christmas with about 860 benefited children. Also, many stores organized elderly visits in the festive season, delivering festive gifts, daily supplies and warm greetings to the elderly.

### **ENVIRONMENTAL PROTECTION**

During the period under review, the Group organized about 50 different environmental protection activities to actively promote green lifestyle to staff and customers.

#### **Dual Channels to Promote Waste Recycling**

In September 2014, the Group held its fourth nationwide environmental activity, "Green Mid-Autumn Festival – Moon Cake Box Recycling Campaign", and utilized both online and offline channels to carry out the promotions, as a result, collecting nearly 3,600 moon cake boxes successfully, totaling over 22,000 boxes over the years. This year, the first-ever "Moon Cake Box Creative Design Competition" was held to encourage the public to create arts and crafts from idle moon cake boxes in an attempt to further disseminate the message of resources regeneration. The competition received about 420 entries and over 2,600 people casted their votes through physical stores and NWDS CSR Weibo, successfully promoting waste recycling.

#### **Volunteers Promoting Environmental Protection in the Community**

During the period under review, stores' volunteer teams often went into the community and put environmental protection concepts into practice in order to convey the green message to the public. For instance, Dailan New World Department Store volunteer team picked up trash on beaches to preserve the environment; to echo with the annual "World Carfree Day", volunteers from Wuhan New World Department Store-Xudong Branch Store ("Wuhan

Xudong Branch Store") cooperated with Wuhan Public Transport Group to roll out the "2014 Annual Car-free Day" campaign to help ease urban traffic congestion and air pollution; Wuhan Store volunteer team kicked off a three-month campaign, "Environmental Protection Starts from Me", to help clean the beautiful lakeside of Xihu and Beihu and green the community in order to promote environmental protection.

### **STAFF BENEFITS AND DEVELOPMENT**

The Group strives to provide professional trainings to its employees while creating a healthy and pleasant work environment. During the period under review, the Group held over 220 staff trainings and staff caring activities in total.

#### **Recognizing Outstanding In-house Trainers**

During the period under review, the annual "Recognition Ceremony for Outstanding Trainers" was held in Sanya in April 2014. Awards such as "Outstanding Cross-region Trainer Award" and "Best Regional Training Teams" were presented at the ceremony to recognize the hard work of stores' in-house trainers over the past year. In addition, a number of stores also took the opportunities to express their gratitude to in-house trainers during Teacher's Day and held celebrations and gatherings to facilitate the exchange of teaching experience and enhance friendship among trainers.

#### **Business Delegation to Japan Widening Employees' Horizon**

In December 2013, the Group rolled out "Dedicated over 100% to Customers", a cross-year customer service campaign, inviting employees to submit proposals on how to effectively boost store image and customer service. The winning teams traveled to Japan in November 2014 to learn more about Japan counterparts' operations know-how, such as customer service, in-store complementary facilities and visual merchandising.

**Outdoor Activities Creating a Healthy and Harmonious Workplace**

The Group cares about the physical and mental development of its employees. Therefore, many store- and department-level staff activities, such as picnics and sports games, were held regularly to help staff relieve stress and to promote friendship among colleagues. In November 2014, the Group held its first Taihu Cycling Competition. The clear autumn sky at the scenic Dongshan and Xishan of Taihu, Suzhou, attracted about 40 employees from different regions to participate in the competition in the form of teams.

**GROUP HONORS**

During the period under review, the Group received numerous honors and awards in recognition of its excellent performance in community services, environmental protection, investor relations and staff benefits and development.

**Annual Report Honors**

The Group’s FY2013 Annual Report has received multiple international annual report awards, honoring the Group’s outstanding performance in stakeholder communications.

Competitions	Category	Awards
LACP 2013 Vision Awards Annual Report Competition	Annual Report: Consumer Services	Gold Award
	Top 80 Asia-Pacific Annual Reports	
	Top 20 Chinese Reports	
	Best Annual Report Narrative	Honors Award
2014 International ARC Awards	Traditional Annual Report: Retail: Convenience & Dept. Stores	Silver Award
2014 Galaxy Awards	Annual Reports – Overall Presentation: Retail – Department Store	Gold Award

**Competitions Category Awards**

The Hong Kong Management Association – “2014 Best Annual Reports Awards” Citation for Design

**Community Services**

*Hong Kong Community Volunteers (Corporate Member) Certificate of Appreciation*

With a total of 346.5 service hours, the Group’s Hong Kong office was presented the “Hong Kong Community Volunteers (Corporate Member) Certificate of Appreciation” by the Agency for Volunteer Service to commend the dedication of Hong Kong volunteer team in serving the community over the past year.

*Youth Welfare Alliance – Annual Outstanding Community Programs*

The Group’s “@Dream Program” was honored by the Youth Welfare Alliance (“Alliance”) as one of the “Annual Outstanding Community Programs”. The Group also became a member of the Alliance to further foster mutual cooperation.

*The 11<sup>th</sup> China Golden Awards for Excellence in Public Relations*

The Group’s “@Dream Program” garnered the Nomination Award in the category of “Corporate Social Responsibility” at the “11<sup>th</sup> China Golden Awards for Excellence in Public Relations” organized by the China International Public Relations Association, in recognition of the Group’s public relations strategies and corporate social responsibility practices.

**2014 iNOVA Awards**

The Group’s revamped corporate website won the Honors Award in the “Redesign/Relaunch: Retail” category in the 2014 iNOVA Awards.

**Environmental Protection**

*Green Office Awards Labelling Scheme*

In December 2014, the Group’s Hong Kong office was awarded the “Green Office” label as well as the UNMDG’s “Better World Company” label from the World Green Organization’s “Green Office Awards Labelling Scheme” for the second consecutive year.

## CORPORATE SUSTAINABILITY

### ***Power Smart Energy Saving Contest 2014***

The Group's Hong Kong office was granted the "Certificate of Appreciation" and the "Progress Award" in the "Power Smart Energy Saving Contest 2014" organized by Friends of Earth, acknowledging the Group's determination in practicing energy saving and building a green office.

### ***Carbon Reduction Certificates Scheme***

The Group's Hong Kong office successfully reduced carbon emissions by 4% in FY2014 and was awarded the "Carbon Reduction Certificates" in the "Carbon Reduction Certificates Scheme" under the "Hong Kong Awards for Environmental Excellence".

### **Investor Relations**

#### ***10<sup>th</sup> Corporate Governance Asia Recognition Awards 2014 – The Best of Asia***

The Group garnered the honor of the "Asia's Most Promising Company on Corporate Governance" in the "10<sup>th</sup> Corporate Governance Asia Recognition Awards 2014 – The Best of Asia".

#### ***The Asset Corporate Awards 2014***

The Group won the Gold Award in the category of "Financial Performance, Corporate Governance and Environmental Responsibility" in "The Asset Corporate Awards 2014" for the first time. This proves that the Group has effectively managed to strike a good balance between its financial and sustainability performance to deliver desirable financial and sustainable returns to its shareholders and stakeholders.

### **Staff Benefits and Development**

#### ***China Learning & Development Value Awards 2014***

NWDS Management Academy's "Core Talents Nurturing Plan" won the "Value Case Award" and the "Best Practice Award" in the "China Learning & Development Value Awards 2014" organized by the HR Excellence Center, recognizing the program's innovation and practicality.

### ***Chinese Corporate University Rankings***

NWDS Management Academy was accredited as the "China's Best Corporate University" in the "Chinese Corporate University Rankings" for the second consecutive year, while its LOL Products and Brand Knowledge Enhancement Application, which was developed for training sales people, was awarded the honor of "2014 Chinese Corporate University – Top Ten Innovative Practices".

### **Regional Honors and Awards**

#### ***Northern China Region***

In July 2014, Yantai Store was accredited as the "Advanced Firefighting Entity" by Yantai City Fire Department. In October 2014, Harbin New World Department Store garnered the "Outstanding Organization Award" in "Heilongjiang Province 6<sup>th</sup> China UnionPay Cup-Cashier Skills Competition of Commercial Service Industry" organized by Heilongjiang Branch of China UnionPay. In the same month, Beijing Liying Store was granted the "Honor Certificate of Donations" by the China Foundation for Poverty Alleviation for its donations to help under-resourced groups.

#### ***Central Western China Region***

In July 2014, Wuhan Xudong Branch Store's trade union was honored as the "2013 Advanced Entity in Union Affairs" by the All Wuhan Federation of Trade Unions. In November 2014, the badminton team of Wuhan Store earned the "Outstanding Organization Award" presented by the Working Committee under the All Wuhan Federation of Trade Unions.

#### ***South Eastern China Region***

In September 2014, Ningbo New World Beilun Department Store was named the "2013 Ningbo City Advanced Entity for Trade System" by Trade Bureau, Ningbo. In October 2014, Hong Kong New World Department Store-Shanghai Pujian Branch was awarded the "Advanced Group Honor" in "2014 Shanghai Shopping Festival cum the 2<sup>nd</sup> Pudong Tangqiao Community Shopping Festival". In the same month, Yancheng New World Department Store was awarded as the "Advanced Entity" by the city's Office of Consumer Confidence Activities Leading Group.

# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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羅兵咸永道

## TO THE BOARD OF DIRECTORS OF NEW WORLD DEPARTMENT STORE CHINA LIMITED

*(incorporated in Cayman Islands with limited liability)*

### INTRODUCTION

We have reviewed the interim financial information set out on pages 20 to 45, which comprises the condensed consolidated statement of financial position of New World Department Store China Limited (the "Company") and its subsidiaries (together, the "Group") as at 31 December 2014 and the related condensed consolidated income statement, condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 26 February 2015

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# CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2014

		<b>Unaudited Six months ended 31 December</b>	Unaudited
	Notes	<b>2014 HK\$'000</b>	2013 HK\$'000
Revenue	4	<b>2,037,826</b>	2,125,287
Other income	5	<b>115,714</b>	69,963
Other gain/(loss), net	6	<b>6,877</b>	(1,916)
Changes in fair value of investment properties		<b>2,254</b>	8,447
Purchases of and changes in inventories		<b>(324,215)</b>	(349,391)
Employee benefit expense	7	<b>(377,601)</b>	(316,910)
Depreciation and amortisation		<b>(171,081)</b>	(156,352)
Operating lease rental expense		<b>(585,524)</b>	(488,846)
Other operating expenses, net	8	<b>(413,070)</b>	(429,923)
Operating profit		<b>291,180</b>	460,359
Finance income		<b>34,491</b>	25,645
Finance costs		<b>(23,358)</b>	(13,106)
Finance income, net	9	<b>11,133</b>	12,539
Profit before income tax		<b>302,313</b>	472,898
Income tax expense	10	<b>(96,351)</b>	(122,954)
Profit for the period		<b>205,962</b>	349,944
Attributable to equity holders of the Company		<b>205,962</b>	349,944
Dividend	11	<b>102,855</b>	158,498
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in HK\$ per share)			
– Basic and diluted	12	<b>0.12</b>	0.21

The notes on pages 26 to 45 are an integral part of this condensed consolidated financial information.

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2014

	<b>Unaudited</b> <b>Six months ended</b> <b>31 December</b>	Unaudited
	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
Profit for the period	<b>205,962</b>	349,944
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit and loss</i>		
Release of exchange reserve upon liquidation of a subsidiary	<b>(10,097)</b>	–
Translation differences	<b>67,713</b>	88,715
Other comprehensive income for the period, net of tax	<b>57,616</b>	88,715
Total comprehensive income for the period	<b>263,578</b>	438,659
Total comprehensive income attributable to equity holders of the Company	<b>263,578</b>	438,659

The notes on pages 26 to 45 are an integral part of this condensed consolidated financial information.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	Unaudited As at 31 December 2014 HK\$'000	Audited As at 30 June 2014 HK\$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>2,278,211</b>	2,171,857
Investment properties	14	<b>4,337,695</b>	4,339,656
Land use rights		<b>915,908</b>	899,678
Goodwill		<b>1,890,877</b>	1,867,241
Other non-current assets	15	<b>313,785</b>	305,111
Long-term prepayments and rental deposits		<b>411,055</b>	442,200
Deferred income tax assets		<b>168,796</b>	179,656
		<b>10,316,327</b>	10,205,399
<b>Current assets</b>			
Inventories		<b>157,449</b>	160,617
Debtors	16	<b>138,354</b>	105,101
Prepayments, deposits and other receivables		<b>787,165</b>	678,126
Amounts due from fellow subsidiaries	17	<b>57,880</b>	2,161
Amounts due from related companies	17	<b>3</b>	24
Fixed deposits		<b>52,047</b>	630,574
Cash and cash equivalents		<b>3,167,868</b>	896,538
		<b>4,360,766</b>	2,473,141
<b>Total assets</b>		<b>14,677,093</b>	12,678,540
<b>Equity</b>			
Share capital	18	<b>168,615</b>	168,615
Reserves	19	<b>6,307,482</b>	6,146,759
Interim dividend	11	<b>102,855</b>	–
Proposed dividend		<b>–</b>	101,169
		<b>6,578,952</b>	6,416,543
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	20	<b>1,581,316</b>	696,844
Accruals	21	<b>596,028</b>	608,723
Deferred income tax liabilities		<b>865,691</b>	852,224
		<b>3,043,035</b>	2,157,791

The notes on pages 26 to 45 are an integral part of this condensed consolidated financial information.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	<b>Unaudited As at 31 December 2014 HK\$'000</b>	Audited As at 30 June 2014 HK\$'000
Current liabilities			
Creditors, accruals and other payables	21	<b>4,878,329</b>	3,959,809
Amounts due to fellow subsidiaries	17	<b>10,713</b>	24,911
Amounts due to related companies	17	<b>49,054</b>	30,809
Tax payable		<b>117,010</b>	88,677
		<b>5,055,106</b>	4,104,206
<b>Total liabilities</b>		<b>8,098,141</b>	6,261,997
<b>Total equity and liabilities</b>		<b>14,677,093</b>	12,678,540
<b>Net current liabilities</b>		<b>(694,340)</b>	(1,631,065)
<b>Total assets less current liabilities</b>		<b>9,621,987</b>	8,574,334

The notes on pages 26 to 45 are an integral part of this condensed consolidated financial information.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2014

	Share capital HK\$'000	Share premium HK\$'000	Property revaluation reserve HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Share-based compensation reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 July 2013	168,615	2,398,250	83,803	391,588	303,399	41,048	711,125	2,527,828	6,625,656
Comprehensive income									
Profit for the period	-	-	-	-	-	-	-	349,944	349,944
Translation differences	-	-	-	-	-	-	88,715	-	88,715
Total comprehensive income for the period ended 31 December 2013	-	-	-	-	-	-	88,715	349,944	438,659
Transactions with owners									
Lapse of share options	-	-	-	-	-	(35,323)	-	35,323	-
Dividend relating to the year ended 30 June 2013	-	-	-	-	-	-	-	(155,125)	(155,125)
Transfer to statutory reserve	-	-	-	-	25,633	-	-	(25,633)	-
Total transactions with owners	-	-	-	-	25,633	(35,323)	-	(145,435)	(155,125)
At 31 December 2013 – Unaudited	168,615	2,398,250	83,803	391,588	329,032	5,725	799,840	2,732,337	6,909,190
At 1 July 2014	168,615	2,061,021	86,736	391,588	344,381	-	629,406	2,734,796	6,416,543
Comprehensive income									
Profit for the period	-	-	-	-	-	-	-	205,962	205,962
Release of exchange reserve upon liquidation of a subsidiary	-	-	-	-	-	-	(10,097)	-	(10,097)
Translation differences	-	-	-	-	-	-	67,713	-	67,713
Total comprehensive income for the period ended 31 December 2014	-	-	-	-	-	-	57,616	205,962	263,578
Transactions with owners									
Dividend relating to the year ended 30 June 2014	-	(101,169)	-	-	-	-	-	-	(101,169)
Transfer to statutory reserve	-	-	-	-	11,106	-	-	(11,106)	-
Total transactions with owners	-	(101,169)	-	-	11,106	-	-	(11,106)	(101,169)
At 31 December 2014 – Unaudited	168,615	1,959,852	86,736	391,588	355,487	-	687,022	2,929,652	6,578,952

The notes on pages 26 to 45 are an integral part of this condensed consolidated financial information.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2014

	<b>Unaudited Six months ended 31 December 2014 HK\$'000</b>	Unaudited 2013 HK\$'000
Operating activities		
Net cash generated from operating activities	<b>1,123,616</b>	1,280,830
Investing activities		
Additions to investment properties	<b>(9,655)</b>	(6,187)
Additions to property, plant and equipment and other non-current assets	<b>(205,550)</b>	(258,850)
Interest income received	<b>34,491</b>	25,646
Decrease in fixed deposits	<b>586,508</b>	247,404
Proceeds from disposal of property, plant and equipment	<b>142</b>	288
Net cash outflow from acquisition of subsidiaries	<b>–</b>	(671,007)
Net cash generated from/(used in) investing activities	<b>405,936</b>	(662,706)
Financing activities		
Drawdown of bank borrowings	<b>875,000</b>	–
Repayment of bank borrowings	<b>–</b>	(3,000)
Finance costs paid	<b>(25,043)</b>	(19,548)
Dividends paid	<b>(101,169)</b>	(155,125)
Net cash generated from/(used in) financing activities	<b>748,788</b>	(177,673)
Net increase in cash and cash equivalents	<b>2,278,340</b>	440,451
Cash and cash equivalents at 1 July	<b>896,538</b>	2,473,952
Effect of foreign exchange rate changes	<b>(7,010)</b>	12,360
Cash and cash equivalents at 31 December	<b>3,167,868</b>	2,926,763

The notes on pages 26 to 45 are an integral part of this condensed consolidated financial information.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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## 1 GENERAL INFORMATION

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

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

The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 12 July 2007.

This condensed consolidated financial information is presented in Hong Kong dollars, unless otherwise stated. This condensed consolidated financial information has been approved for issue by the board of directors on 26 February 2015.

## 2 BASIS OF PREPARATION

This condensed consolidated financial information of the Company for the six months ended 31 December 2014 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants.

This condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

At 31 December 2014, the Group's current liabilities exceeded its current assets by HK\$694,340,000 (30 June 2014: HK\$1,631,065,000). Taking into account the cash flows from operating activities, ability to generate additional financing and its asset backing, the Group has a reasonable expectation that it has adequate resources to meet its liabilities and commitments as and when they fall due and to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the condensed consolidated financial information.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2014, as described in those annual financial statements.

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 2 BASIS OF PREPARATION (continued)

For the six months ended 31 December 2014, the Group has adopted the following new or revised standards, amendments to existing standards and interpretation which are mandatory for the accounting period beginning on 1 July 2014:

HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies
Amendments to HKAS 19 (Revised 2011)	Employee Benefits: Defined Benefit Plans – Employee Contributions
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (Revised 2011)	Investment Entities
Annual Improvements Project	Annual Improvements 2010-2012 Cycle
Annual Improvements Project	Annual Improvements 2011-2013 Cycle

The adoption of the new or revised standards, amendments to existing standards and interpretation does not have any significant effect on the results and financial position of the Group.

The following new or revised standards, amendments to existing standards and interpretation are mandatory for the accounting periods beginning on or after 1 January 2015 which the Group has not early adopted:

HKFRS 9 (2014)	Financial Instruments
HKFRS 14	Regulatory Deferral Accounts
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRS 11	Accounting for Acquisitions of Interest in Joint Operations
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Annual Improvements Project	Annual Improvements 2012-2014 Cycle

The Group is in the process of making an assessment of the impact of these new or revised standards, amendments to existing standards and interpretation on its result of operation and financial position.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 3 FINANCIAL RISK MANAGEMENT

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

This condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2014.

There have been no changes in the financial risk management policies since the last financial year end date as at 30 June 2014.

### 4 REVENUE AND SEGMENT INFORMATION

	<b>Unaudited Six months ended 31 December 2014 HK\$'000</b>	Unaudited 2013 HK\$'000
Commission income from concessionaire sales	<b>1,297,836</b>	1,351,399
Sales of goods – direct sales	<b>374,798</b>	410,328
Management and consultancy fees	<b>44,329</b>	41,042
Rental income	<b>320,863</b>	322,518
	<b>2,037,826</b>	2,125,287

The income from concessionaire sales is analysed as follows:

	<b>Unaudited Six months ended 31 December 2014 HK\$'000</b>	Unaudited 2013 HK\$'000
Gross revenue from concessionaire sales	<b>7,072,738</b>	7,621,511
Commission income from concessionaire sales	<b>1,297,836</b>	1,351,399

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

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

All revenue is generated in Mainland China and all significant operating assets of the Group are in Mainland China.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 4 REVENUE AND SEGMENT INFORMATION (continued)

Six months ended 31 December 2014

	Department store HK\$'000	Property investment HK\$'000	Consolidated HK\$'000
Segment revenue	1,958,240	79,586	2,037,826
Segment results	248,052	41,092	289,144
Other gain, net	6,877	–	6,877
Changes in fair value of investment properties	–	2,254	2,254
Unallocated corporate expenses			(7,095)
Operating profit			291,180
Finance income			34,491
Finance costs			(23,358)
Finance income, net			11,133
Profit before income tax			302,313
Income tax expense			(96,351)
Profit for the period			205,962

Six months ended 31 December 2013

	Department store HK\$'000	Property investment HK\$'000	Consolidated HK\$'000
Segment revenue	2,030,974	94,313	2,125,287
Segment results	378,612	82,243	460,855
Other loss	(1,916)	–	(1,916)
Changes in fair value of investment properties	–	8,447	8,447
Unallocated corporate expenses			(7,027)
Operating profit			460,359
Finance income			25,645
Finance costs			(13,106)
Finance income, net			12,539
Profit before income tax			472,898
Income tax expense			(122,954)
Profit for the period			349,944

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 4 REVENUE AND SEGMENT INFORMATION (continued)

As at 31 December 2014

	Department store HK\$'000	Property investment HK\$'000	Consolidated HK\$'000
Segment assets	9,237,262	5,242,419	14,479,681
Deferred income tax assets			168,796
Corporate assets:			
Cash and cash equivalents			28,236
Others			380
Total assets			14,677,093
Six months ended 31 December 2014			
Additions to non-current assets (Note)	215,073	5,112	220,185
Depreciation and amortisation	170,482	599	171,081

As at 30 June 2014

	Department store HK\$'000	Property investment HK\$'000	Consolidated HK\$'000
Segment assets	7,514,903	4,976,169	12,491,072
Deferred income tax assets			179,656
Corporate assets:			
Cash and cash equivalents			7,792
Others			20
Total assets			12,678,540
Six months ended 31 December 2013			
Additions to non-current assets (Note)	832,987	645,726	1,478,713
Depreciation and amortisation	155,952	400	156,352

Note:

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 5 OTHER INCOME

	<b>Unaudited Six months ended 31 December 2014 HK\$'000</b>	Unaudited 2013 HK\$'000
Government grants	13,147	16,119
Income from suppliers	48,687	38,861
Compensation for termination of lease (Note 23(a)(vi))	26,744	–
Sundries	27,136	14,983
	<b>115,714</b>	69,963

### 6 OTHER GAIN/(LOSS), NET

	<b>Unaudited Six months ended 31 December 2014 HK\$'000</b>	Unaudited 2013 HK\$'000
Gain on liquidation of a subsidiary	10,097	–
Loss on disposal of property, plant and equipment (Note)	(3,220)	(1,916)
	<b>6,877</b>	(1,916)

Note:

For the six months ended 31 December 2014, loss on disposal of property, plant and equipment of approximately HK\$1,759,000 is derived taking into account the compensation amount from the termination of lease (Note 23(a)(vi)).

### 7 EMPLOYEE BENEFIT EXPENSE

	<b>Unaudited Six months ended 31 December 2014 HK\$'000</b>	Unaudited 2013 HK\$'000
Wages, salaries and other benefits	339,772	283,561
Retirement benefit costs – defined contribution plans	37,829	33,349
	<b>377,601</b>	316,910

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 8 OTHER OPERATING EXPENSES, NET

	Unaudited Six months ended 31 December 2014 HK\$'000	Unaudited 2013 HK\$'000
Water and electricity	91,116	95,731
Selling, promotion, advertising and related expenses	116,168	112,621
Cleaning, repairs and maintenance	49,924	44,274
Auditor's remuneration	3,661	3,810
Net exchange (gains)/losses	(15,365)	4,783
Other tax expenses	109,538	119,609
Others	58,028	49,095
	<b>413,070</b>	429,923

### 9 FINANCE INCOME, NET

	Unaudited Six months ended 31 December 2014 HK\$'000	Unaudited 2013 HK\$'000
Interest income on bank deposits	34,491	25,645
Interest on bank loans		
– wholly repayable within five years	(28,339)	(12,511)
– not wholly repayable within five years	–	(7,246)
	<b>(28,339)</b>	(19,757)
Less: amount capitalised	4,981	6,651
	<b>(23,358)</b>	(13,106)
	<b>11,133</b>	12,539

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 10 INCOME TAX EXPENSE

The amounts of taxation charged to the condensed consolidated income statement represent:

	<b>Unaudited Six months ended 31 December 2014 HK\$'000</b>	Unaudited 2013 HK\$'000
Current income tax		
– Mainland China taxation	<b>86,236</b>	88,704
Over-provision in prior years	<b>(2,181)</b>	(58)
Deferred income tax		
– Deferred taxation on undistributed retained earnings	<b>(6,962)</b>	3,797
– Other temporary differences	<b>19,258</b>	30,511
	<b>96,351</b>	122,954

Taxation has been provided at the appropriate tax rates prevailing in the tax jurisdictions in which the members of the Group operate. No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit in Hong Kong for the periods ended 31 December 2013 and 2014.

Subsidiaries of the Group in Mainland China are subject to corporate income tax at a rate of 25% (2013: 25%).

### 11 DIVIDEND

	<b>Unaudited Six months ended 31 December 2014 HK\$'000</b>	Unaudited 2013 HK\$'000
Interim dividend of HK\$0.061 (2013: HK\$0.094) per share	<b>102,855</b>	158,498

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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### 12 EARNINGS PER SHARE

**(a) Basic**

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

	<b>Unaudited Six months ended 31 December 2014</b>	Unaudited 2013
Profit attributable to the equity holders of the Company (HK\$'000)	<b>205,962</b>	349,944
Weighted average number of ordinary shares in issue (shares in thousands)	<b>1,686,145</b>	1,686,145
Basic earnings per share (HK\$ per share)	<b>0.12</b>	0.21

**(b) Diluted**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares.

During the six months ended 31 December 2013, shares issuable upon exercise of the share options were the only potential ordinary shares. There was no dilutive effect from the share options.

During the six months ended 31 December 2014, there was no dilutive potential ordinary share.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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### 13 CAPITAL EXPENDITURE

For the six months ended 31 December 2014, the Group had additions of property, plant and equipment and investment properties of approximately HK\$219,715,000 and HK\$9,655,000 respectively (2013: HK\$138,432,000 and HK\$1,904,921,000 respectively). The Group has disposed of property, plant and equipment with net book amount of approximately HK\$32,677,000 (2013: HK\$2,204,000).

### 14 INVESTMENT PROPERTIES

As at 31 December 2014, the investment properties were valued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, independent professional valuers. Valuations were based on market value assessment, where appropriate, by reference to the income approach.

As at 31 December 2014, an investment property of approximately HK\$1,926,582,000 (30 June 2014: HK\$1,900,000,000) was pledged to secure certain bank borrowings of the Group (Note 20).

### 15 OTHER NON-CURRENT ASSETS

Balance as at 31 December 2014 and 30 June 2014 represented the following transaction:

On 8 February 2013, Shenyang Trendy Property Company Limited (“Shenyang Trendy”), a wholly-owned subsidiary of the Company, entered into a cooperation agreement with Shenyang New World Hotel Co., Ltd. (“SYNWH”), a wholly-owned subsidiary of New World China Land Limited (“NWCL”) and a fellow subsidiary of the Company. Pursuant to the cooperation agreement, Shenyang Trendy and SYNWH agreed to cooperate in a property redevelopment project in Shenyang City. Shenyang Trendy agreed to surrender to the local government authority the land and building where Shenyang Nanjing Street Branch Store was situated for a compensation of RMB250,012,000 and to make contribution of RMB527,060,000 (subject to further adjustments) to SYNWH for the related costs of demolition of the existing building and design, construction and payment of any relevant land grant premium of certain portion of the redeveloped building. As at 31 December 2014, the balance in connection to this transaction was approximately HK\$313,785,000 (30 June 2014: HK\$305,111,000).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 16 DEBTORS

	<b>Unaudited As at 31 December 2014 HK\$'000</b>	Audited As at 30 June 2014 HK\$'000
Debtors	<b>138,354</b>	105,101

The Group grants credit terms within 30 days in majority.

Aging analysis of the debtors, based on the invoice dates, is as follows:

	<b>Unaudited As at 31 December 2014 HK\$'000</b>	Audited As at 30 June 2014 HK\$'000
Within period for		
0-30 days	<b>82,174</b>	59,113
31-60 days	<b>10,708</b>	5,224
61-90 days	<b>4,370</b>	9,112
Over 90 days	<b>41,102</b>	31,652
	<b>138,354</b>	105,101

The carrying amounts of debtors approximate their fair values. The debtors are denominated in Renminbi.

Debtors included amounts due from fellow subsidiaries and a related company of approximately HK\$3,290,000 and HK\$nil (30 June 2014: HK\$6,232,000 and HK\$1,425,000) respectively which were unsecured, interest free and repayable on demand.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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### 17 AMOUNTS DUE FROM/(TO) FELLOW SUBSIDIARIES AND RELATED COMPANIES

Except for the amount due from a fellow subsidiary of approximately HK\$57,880,000 (30 June 2014: HK\$nil), which are repayable in accordance with the termination agreement (Note 23(a)(vi)), the balances with fellow subsidiaries and related companies are unsecured, interest free, repayable on demand and denominated in Renminbi.

The carrying amounts of amounts due from/(to) fellow subsidiaries and related companies approximate their fair values.

### 18 SHARE CAPITAL

	Number of shares '000	Nominal value HK\$'000
Ordinary shares of HK\$0.1 each, authorised:		
At 30 June 2014 (audited) and 31 December 2014 (unaudited)	10,000,000	1,000,000
Ordinary shares of HK\$0.1 each, issued and fully paid:		
At 30 June 2014 (audited) and 31 December 2014 (unaudited)	1,686,145	168,615

#### Share option scheme

The Company's share option scheme was adopted on 12 June 2007. The board of directors may, at their discretion, granted options to any eligible participants (as defined in the share option scheme), to subscribe for shares in the Company.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 18 SHARE CAPITAL (continued)

Movement of the number of share options granted and their related exercise prices during the period are as follows:

Date of grant	Exercise price per share HK\$	Unaudited Number of options '000					Unaudited No. of share options exercisable '000			
		At 1 July 2013	Granted during the period	Lapsed during the period	At 31 December 2013	At 1 July 2014	Granted during the period	Lapsed during the period	At 31 December 2014	At 31 December 2014
27 November 2007 (Note i)	8.660	11,768	-	(11,768)	-	-	-	-	-	-
25 March 2008 (Note ii)	8.440	2,060	-	-	2,060	-	-	-	-	-
		13,828	-	(11,768)	2,060	-	-	-	-	-
Weighted average exercise price of each category (HK\$)		8.627	-	8.660	8.440	-	-	-	-	-

Notes:

- (i) The share options granted on 27 November 2007 were divided into 5 tranches and are exercisable from 27 November 2008, 27 November 2009, 27 November 2010, 27 November 2011 and 27 November 2012, respectively, to 26 November 2013.
- (ii) The share options granted on 25 March 2008 were divided into 5 tranches and are exercisable from 25 March 2009, 25 March 2010, 25 March 2011, 25 March 2012 and 25 March 2013, respectively, to 24 March 2014.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 19 RESERVES

	Share premium HK\$'000	Property revaluation reserve HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Share-based compensation reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 July 2013	2,398,250	83,803	391,588	303,399	41,048	711,125	2,527,828	6,457,041
Lapse of share options	-	-	-	-	(35,323)	-	35,323	-
Dividend relating to the year ended 30 June 2013	-	-	-	-	-	-	(155,125)	(155,125)
Transfer to statutory reserve	-	-	-	25,633	-	-	(25,633)	-
Profit for the period	-	-	-	-	-	-	349,944	349,944
Translation differences	-	-	-	-	-	88,715	-	88,715
	2,398,250	83,803	391,588	329,032	5,725	799,840	2,732,337	6,740,575
Interim dividend (Note 11)	-	-	-	-	-	-	(158,498)	(158,498)
At 31 December 2013 – Unaudited	2,398,250	83,803	391,588	329,032	5,725	799,840	2,573,839	6,582,077

	Share premium HK\$'000	Property revaluation reserve HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Share-based compensation reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 July 2014	2,061,021	86,736	391,588	344,381	-	629,406	2,734,796	6,247,928
Dividend relating to the year ended 30 June 2014	(101,169)	-	-	-	-	-	-	(101,169)
Transfer to statutory reserve	-	-	-	11,106	-	-	(11,106)	-
Profit for the period	-	-	-	-	-	-	205,962	205,962
Release of exchange reserve upon liquidation of a subsidiary	-	-	-	-	-	(10,097)	-	(10,097)
Translation differences	-	-	-	-	-	67,713	-	67,713
	1,959,852	86,736	391,588	355,487	-	687,022	2,929,652	6,410,337
Interim dividend (Note 11)	(102,855)	-	-	-	-	-	-	(102,855)
At 31 December 2014 – Unaudited	1,856,997	86,736	391,588	355,487	-	687,022	2,929,652	6,307,482

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 20 LONG-TERM BORROWINGS

	<b>Unaudited As at 31 December 2014 HK\$'000</b>	Audited As at 30 June 2014 HK\$'000
Non-current	<b>1,581,316</b>	696,844
	<b>Unaudited As at 31 December 2014 HK\$'000</b>	Audited As at 30 June 2014 HK\$'000
Bank loans		
Secured	<b>506,329</b>	500,000
Unsecured	<b>1,074,987</b>	196,844
	<b>1,581,316</b>	696,844

The effective interest rates of borrowings are analysed as follows:

	<b>Unaudited As at 31 December 2014</b>	Audited As at 30 June 2014
Hong Kong dollars	<b>2.01%</b>	1.99%
Renminbi	<b>5.90%</b>	5.90%

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 20 LONG-TERM BORROWINGS (continued)

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

	<b>Unaudited As at 31 December 2014 HK\$'000</b>	Audited As at 30 June 2014 HK\$'000
Hong Kong dollars	<b>1,074,987</b>	196,844
Renminbi	<b>506,329</b>	500,000
	<b>1,581,316</b>	696,844

The bank loans are repayable as follows:

	<b>Unaudited As at 31 December 2014 HK\$'000</b>	Audited As at 30 June 2014 HK\$'000
In the second year	<b>88,608</b>	87,500
In the third to fifth year	<b>1,492,708</b>	371,844
After the fifth year	<b>–</b>	237,500
	<b>1,581,316</b>	696,844

As at 31 December 2014, the bank loan of approximately HK\$506,329,000 (30 June 2014: HK\$500,000,000) is secured by an investment property of approximately HK\$1,926,582,000 (30 June 2014: HK\$1,900,000,000).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 21 CREDITORS, ACCRUALS AND OTHER PAYABLES

	<b>Unaudited As at 31 December 2014 HK\$'000</b>	Audited As at 30 June 2014 HK\$'000
Creditors	<b>3,106,340</b>	2,258,495
Accruals	<b>2,368,017</b>	2,310,037
Less: long-term rental accruals	<b>(596,028)</b>	(608,723)
	<b>4,878,329</b>	3,959,809

The Group normally receives credit terms of 60 to 90 days. The aging analysis of the creditors which are denominated in Renminbi, based on the invoice dates, is as follows:

	<b>Unaudited As at 31 December 2014 HK\$'000</b>	Audited As at 30 June 2014 HK\$'000
Within period for		
0-30 days	<b>1,423,708</b>	1,012,268
31-60 days	<b>1,001,233</b>	653,098
61-90 days	<b>244,111</b>	171,437
Over 90 days	<b>437,288</b>	421,692
	<b>3,106,340</b>	2,258,495

Creditors included amounts due to related companies of approximately HK\$99,499,000 (30 June 2014: HK\$53,113,000) which were unsecured, interest free and repayable within 90 days.

The carrying amounts of creditors, accruals and other payables approximate their fair values.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 22 CAPITAL COMMITMENT

Capital commitment in respect of property, plant and equipment and land use rights of the Group at the end of the reporting period are as follows:

	<b>Unaudited As at 31 December 2014 HK\$'000</b>	Audited As at 30 June 2014 HK\$'000
Contracted but not provided for	<b>506,270</b>	506,800
Authorised but not contracted for	<b>2,423</b>	338
	<b>508,693</b>	507,138

### 23 RELATED PARTY TRANSACTIONS

#### (a) Transactions with related parties

In addition to those disclosed in other sections of the financial information, the following significant related party transactions have been entered into by the Group in the normal course of its business during the period:

	Notes	<b>Unaudited Six months ended 31 December 2014 HK\$'000</b>	Unaudited 2013 HK\$'000
Fellow subsidiaries			
Operating lease rental expenses	(i)	<b>(48,718)</b>	(32,051)
Building management expenses	(ii)	<b>(13,381)</b>	(15,375)
Reimbursement of shopping vouchers	(iii)	<b>4,557</b>	23,917
Sale of goods, prepaid shopping cards and vouchers	(iv)	<b>3,985</b>	1,960
Payments for the purchase of building and land use right	(v)	–	(135,144)
Compensation for termination of lease and the refurbishment and enhancement work	(vi)	<b>57,880</b>	–
Related companies			
Concessionaires commissions	(vii)	<b>51,172</b>	63,405
Operating lease rental expenses	(i)	<b>(138,377)</b>	(133,018)
Building management expenses	(ii)	<b>(14,098)</b>	(13,719)
Sale of goods, prepaid shopping cards and vouchers	(iv)	<b>8,129</b>	7,007
Rebates on prepaid shopping cards and vouchers	(viii)	<b>101</b>	106
Purchase of leasehold improvement	(ix)	<b>(34,298)</b>	–
Rental income	(x)	<b>94</b>	–
Other service fee expenses	(xi)	<b>(7)</b>	(1)

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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## 23 RELATED PARTY TRANSACTIONS (continued)

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

Notes:

- (i) The operating lease rental expenses are charged in accordance with respective tenancy agreements.
- (ii) The building management expenses are charged at fixed monthly amounts in accordance with respective contracts.
- (iii) The reimbursement of shopping vouchers is charged in accordance with respective agreements with NWCL or its subsidiaries and Chow Tai Fook Jewellery Group Limited, a related company of the Company, or its subsidiaries ("CTF Jewellery Group").
- (iv) This represents the amounts received in respect of the sales of goods, prepaid shopping cards and vouchers issued by the Group to the subsidiaries of New World Development Company Limited ("NWD") (except the Group) and CTF Jewellery Group.
- (v) This represents instalments paid for the purchase of building and land use right as described in Note 15.
- (vi) This represents the aggregate amount of compensation receivable from a wholly owned subsidiary of NWCL in accordance with a termination agreement dated 28 November 2014 in connection with the early termination of the lease of a store in Wuhan City, compensating the Group for the related payments with HK\$26,744,000 and for the refurbishment and enhancement work made to the property with HK\$31,136,000.
- (vii) The income is charged in accordance with concessionaire counter agreements with CTF Jewellery Group. The commission is mainly calculated by pre-determined percentages of gross sales value in accordance with respective agreements.
- (viii) This represents rebates offered by the CTF Jewellery Group in respect of the sales of prepaid shopping cards and vouchers issued jointly by the Group and the CTF Jewellery Group.
- (ix) This represents the purchase of leasehold improvement in respect of certain department stores. Such fees are charged in accordance with the terms of respective contracts.
- (x) The income is charged in accordance with rental agreements with the companies owned by Mr. Doo Wai-hoi ("Mr. Doo"), an associate of certain Directors.
- (xi) This represents other services provided by the companies owned by Mr. Doo.

### (b) Related party balances

The details for balances with related parties are disclosed in Note 16, 17 and 21 to this condensed consolidated financial information.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 23 RELATED PARTY TRANSACTIONS (continued)

#### (c) Key management compensation

	Unaudited Six months ended 31 December 2014 HK\$'000	Unaudited 2013 HK\$'000
Basic salaries, housing allowances, other allowances and other benefits in kind	11,181	7,499
Retirement benefit costs – defined contribution plans	647	506
	<b>11,828</b>	8,005

### 24 EVENTS AFTER THE REPORTING PERIOD

On 16 January 2015, Techwise Enterprises Limited, a wholly-owned subsidiary incorporated in the British Virgin Islands with limited liability, entered into a share purchase agreement to acquire the entire issued share capital of Well Metro Group Limited, a company incorporated in the British Virgin Islands with limited liability, for a consideration of HK\$1,000,000. Well Metro Group Limited and its subsidiaries have the franchise and distribution right in relation to fashion apparels and accessories for certain brand names in the PRC and have a network of retail operation in the PRC.

### 25 ULTIMATE HOLDING COMPANY

The Directors regard NWD, a company incorporated in Hong Kong, as being the ultimate holding company of the Group.

# OTHER INFORMATION

## INTERIM DIVIDEND

The board of directors (the “Directors” or “Board”) of New World Department Store China Limited (the “Company”, or together with its subsidiaries, the “Group”) has resolved to declare an interim dividend of HK\$0.061 per share (2013: HK\$0.094 per share) for the six months ended 31 December 2014 to shareholders whose names appear in the register of members of the Company on 16 April 2015. It is expected that the interim dividend will be paid on or about 15 May 2015.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 15 April 2015 to Thursday, 16 April 2015, both days inclusive, during which period no transfer of share of the Company will be registered. In order to establish entitlements to the interim dividend, all transfers of shares of the Company accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar and transfer agent of the Company in Hong Kong, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 14 April 2015.

## AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) was established in accordance with requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Audit Committee consists of the four independent non-executive Directors. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 31 December 2014 and the unaudited condensed consolidated financial information and the interim report for the six months ended 31 December 2014 and discussed the financial related matters with the management. The unaudited interim results of the Group for the six months ended 31 December 2014 have been reviewed by the Company’s auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

## CORPORATE GOVERNANCE CODE

The Company has complied with all the applicable code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules for the time being in force during the six months ended 31 December 2014.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as its own code of conduct regarding securities transactions by the Directors. Upon the Company’s specific enquiry of each Director, all Directors confirmed that they had complied with the required standard set out in the Model Code and the code of conduct regarding Directors’ securities transactions adopted by the Company during the six months ended 31 December 2014.

## EMPLOYEES, REMUNERATION POLICY AND PENSION SCHEME

As at 31 December 2014, total number of employees of the Group was 5,974 (2013: 6,645). 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 framework of the Group’s salary and incentives.

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

On 16 January 2015, Techwise Enterprises Limited, a wholly-owned subsidiary incorporated in the British Virgin Islands with limited liability, entered into a share purchase agreement to acquire the entire issued share capital of Well Metro Group Limited, a company incorporated in the British Virgin Islands with limited liability, for a consideration of HK\$1.0 million. Well Metro Group Limited and its subsidiaries have the franchise and distribution right in relation to fashion apparels and accessories for certain brand names in the PRC and have a network of retail operation in the PRC.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company had not redeemed any of its listed securities during the six months ended 31 December 2014. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities during the six months ended 31 December 2014.

## UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information of the Directors since the date of the Company's Annual Report 2014 is set out below:

Dr. Cheng Chi-kong, Adrian was appointed as a member of Board of the West Kowloon Cultural District Authority on 23 October 2014.

## DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2014, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or, as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### (a) Long positions in shares

	Capacity	Nature of interest	Number of shares held	Total	Approximate percentage of shareholding (direct or indirect)
<b>New World Development Company Limited</b>					
(Ordinary shares)					
Dr. Cheng Kar-shun, Henry	Interest of spouse	Family interest	600,000	600,000	0.01
<b>NWS Holdings Limited</b>					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-shun, Henry	Beneficial owner	Personal interest	18,349,571	30,349,571	0.81
	Controlled corporation	Corporate interest	12,000,000 <sup>(1)</sup>		

Note:

(1) These shares are beneficially owned by a company wholly-owned by Dr. Cheng Kar-shun, Henry.

## OTHER INFORMATION

### DIRECTORS' INTERESTS IN SECURITIES (continued)

#### (b) Long positions in underlying shares – share options

##### i. *New World China Land Limited*

Under the share option scheme of a fellow subsidiary, New World China Land Limited (“NWCL”), the undermentioned Directors have personal interests in share options to subscribe for shares of NWCL. Certain details of the share options of NWCL held by them during the six months ended 31 December 2014 were as follows:

Name	Date of grant	Exercisable period (Notes)	Number of share options held				Balance as at 31 December 2014	Exercise price per share HK\$
			Balance as at 1 July 2014	Granted during the period	Exercised during the period	Lapsed during the period		
Dr. Cheng Kar-shun, Henry	18 January 2011	(1)	2,077,922	-	-	-	2,077,922	3.036
Dr. Cheng Chi-kong, Adrian	18 January 2011	(2)	935,066	-	-	-	935,066	3.036
Ms. Ngan Man-ying, Lynda	18 January 2011	(1)	1,038,961	-	-	-	1,038,961	3.036
			4,051,949	-	-	-	4,051,949	

Notes:

- (1) Divided into 5 tranches, exercisable from 19 February 2011, 19 February 2012, 19 February 2013, 19 February 2014 and 19 February 2015 respectively to 18 February 2016.
- (2) Divided into 3 tranches, exercisable from 19 February 2013, 19 February 2014 and 19 February 2015 respectively to 18 February 2016.
- (3) The cash consideration paid by each Director for each grant of the share options is HK\$10.00.

**DIRECTORS' INTERESTS IN SECURITIES** (continued)**(b) Long positions in underlying shares – share options** (continued)*ii. New World Development Company Limited*

Under the share option scheme of the holding company, New World Development Company Limited ("NWD"), the undermentioned Directors have personal interests in share options to subscribe for shares of NWD. Certain details of the share options of NWD held by them during the six months ended 31 December 2014 were as follows:

Name	Date of grant	Exercisable period (Notes)	Number of share options held					Balance as at 31 December 2014	Exercise price per share <sup>(3)</sup> HK\$
			Balance as at 1 July 2014	Granted during the period	Adjusted during the period <sup>(3)</sup>	Exercised during the period	Lapsed during the period		
Dr. Cheng Kar-shun, Henry	19 March 2012	(1)	10,648,284	-	4,292	-	-	10,652,576	9.172
Dr. Cheng Chi-kong, Adrian	19 March 2012	(1)	3,726,898	-	1,502	-	-	3,728,400	9.172
Mr. Au Tak-cheong	19 March 2012	(1)	2,342,841	-	944	-	-	2,343,785	9.172
	22 January 2014	(2)	531,618	-	214	-	-	531,832	9.777
			17,249,641	-	6,952	-	-	17,256,593	

## Notes:

- (1) Divided into 4 tranches exercisable from 19 March 2012, 19 March 2013, 19 March 2014 and 19 March 2015 respectively to 18 March 2016.
- (2) Divided into 4 tranches exercisable from 22 January 2014, 22 January 2015, 22 January 2016 and 22 January 2017 respectively to 21 January 2018.
- (3) NWD declared a final dividend for the year ended 30 June 2014 in cash (with scrip option) during the period which gave rise to adjustments to the number of outstanding share options and the exercise price. The exercise price per share of the share options granted on 19 March 2012 was adjusted from HK\$9.176 to HK\$9.172 on 30 December 2014. The exercise price per share of the share options granted on 22 January 2014 was adjusted from HK\$9.781 to HK\$9.777 on 30 December 2014.
- (4) The cash consideration paid by each Director for grant of the share options is HK\$10.00.

Save as disclosed above, as at 31 December 2014, none of the Directors and chief executive of the Company had any interest or short position 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.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2014, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

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

Name	Capacity	Nature of interest	Number of shares held	Total	Approximate percentage of shareholding (direct or indirect)
Cheng Yu Tung Family (Holdings) Limited ("CYTFH") <sup>(1)</sup>	Controlled corporation	Corporate interest	1,218,900,000	1,218,900,000	72.29
Cheng Yu Tung Family (Holdings II) Limited ("CYTFH-II") <sup>(2)</sup>	Controlled corporation	Corporate Interest	1,218,900,000	1,218,900,000	72.29
Chow Tai Fook Capital Limited ("CTFC") <sup>(3)</sup>	Controlled corporation	Corporate interest	1,218,900,000	1,218,900,000	72.29
Chow Tai Fook (Holding) Limited ("CTFH") <sup>(4)</sup>	Controlled corporation	Corporate interest	1,218,900,000	1,218,900,000	72.29
Chow Tai Fook Enterprises Limited ("CTF") <sup>(5)</sup>	Controlled corporation	Corporate interest	1,218,900,000	1,218,900,000	72.29
New World Development Company Limited ("NWD")	Beneficial owner	-	1,218,900,000	1,218,900,000	72.29

Notes:

- (1) CYTFH holds 48.98% direct interest in CTFC and is accordingly deemed to have an interest in the shares of the Company interested by or deemed to be interested by CTFC.
- (2) CYTFH-II holds 46.65% direct interest in CTFC and is accordingly deemed to have an interest in the shares of the Company interested by or deemed to be interested by CTFC.
- (3) CTFC holds 78.58% direct interest in CTFH and is accordingly deemed to have an interest in the shares of the Company interested by or deemed to be interested by CTFH.
- (4) CTFH holds 100% direct interest in CTF and is accordingly deemed to have an interest in the shares of the Company interested by or deemed to be interested by CTF.
- (5) CTF together with its subsidiaries have interest in more than one-third of the issued shares of NWD and is accordingly deemed to have an interest in the shares of the Company interested by or deemed to be interested by NWD.

## OTHER PERSONS' INTERESTS IN SECURITIES

As at 31 December 2014, the interests or short positions of persons (other than Directors or chief executives or substantial shareholders (as defined in the Listing Rules) of the Company) in the shares and underlying shares of the Company as recorded in the register as required to be kept by the Company under section 336 of the SFO were as follows:

### Long positions in the shares of the Company

Name	Capacity	Nature of interest	Number of shares held	Total	Approximate percentage of shareholding (direct or indirect)
GMT Capital Corp	Controlled corporation	Corporate interest	85,117,000	85,117,000	5.05
New Silk Road Investment Pte. Ltd.	Investment manager	-	87,071,000	87,071,000	5.16

Save as disclosed above, the Directors are not aware of any person (other than the Directors or chief executive of the Company) who, as at 31 December 2014, had an interest or a short position 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.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Non-executive Directors

Dr. Cheng Kar-shun, Henry (*Chairman*)  
Mr. Au Tak-cheong  
Ms. Ngan Man-ying, Lynda

### Executive Directors

Dr. Cheng Chi-kong, Adrian  
Mr. Cheung Fai-yet, Philip (*Managing Director*)

### Independent Non-executive Directors

Mr. Cheong Ying-chew, Henry  
Mr. Chan Yiu-tong, Ivan  
Mr. Tong Hang-chan, Peter  
Mr. Yu Chun-fai

## COMPANY SECRETARY

Miss Wu Yuk-kwai, Catherine

## AUDITOR

PricewaterhouseCoopers

## SOLICITORS

Mayer Brown JSM  
Eversheds  
Woo, Kwan, Lee & Lo

## PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor  
Royal Bank House  
24 Shedden Road  
George Town  
Grand Cayman KY1-1110  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER AGENT

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

7th Floor, 88 Hing Fat Street  
Causeway Bay, Hong Kong  
Tel: (852) 2753 3988  
Fax: (852) 2318 0884

## PRINCIPAL BANKERS

Bank of Communications Co., Ltd.  
Hang Seng Bank Limited  
Industrial and Commercial Bank of China Limited

## STOCK CODE

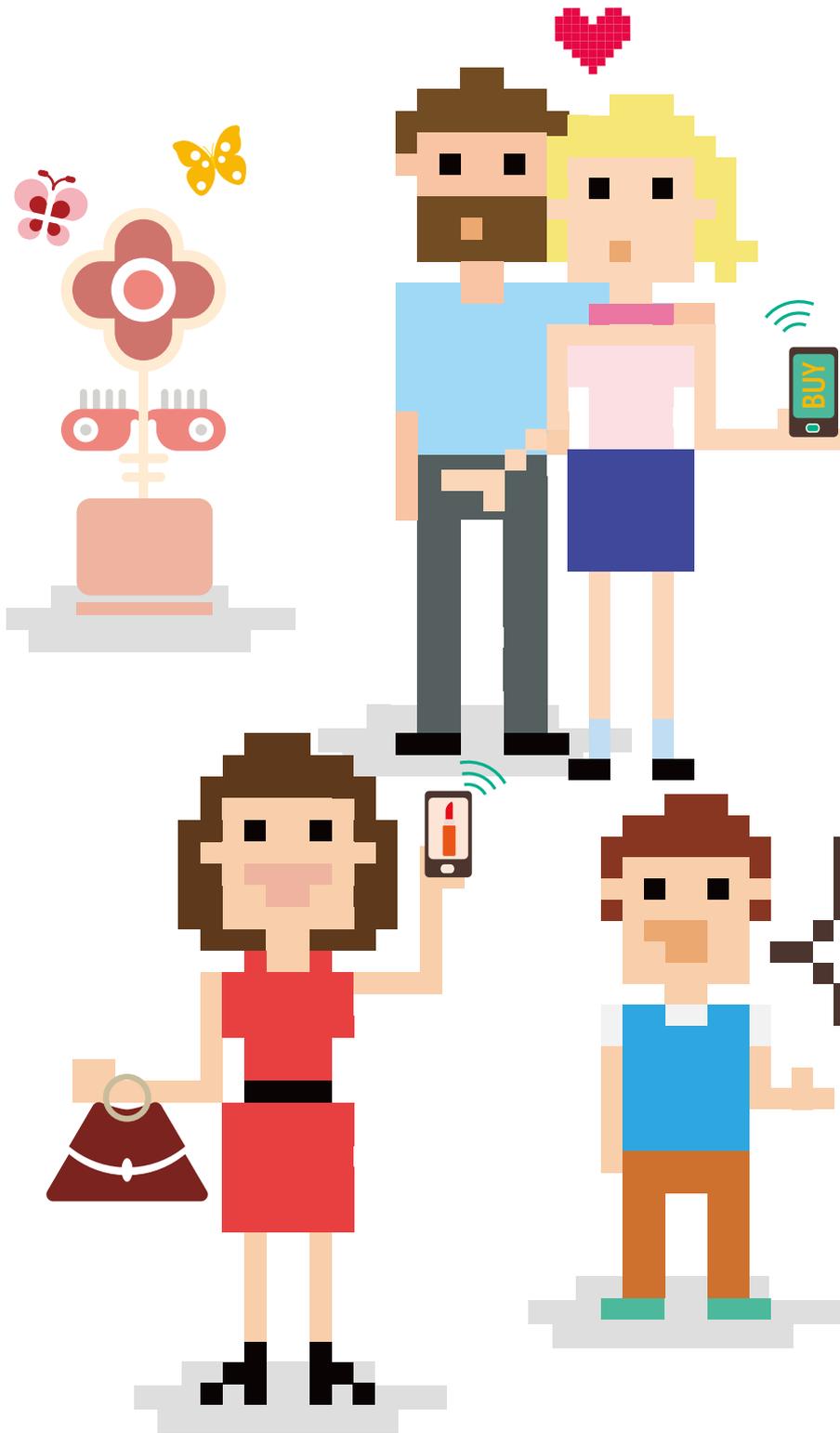
Hong Kong Stock Exchange 825

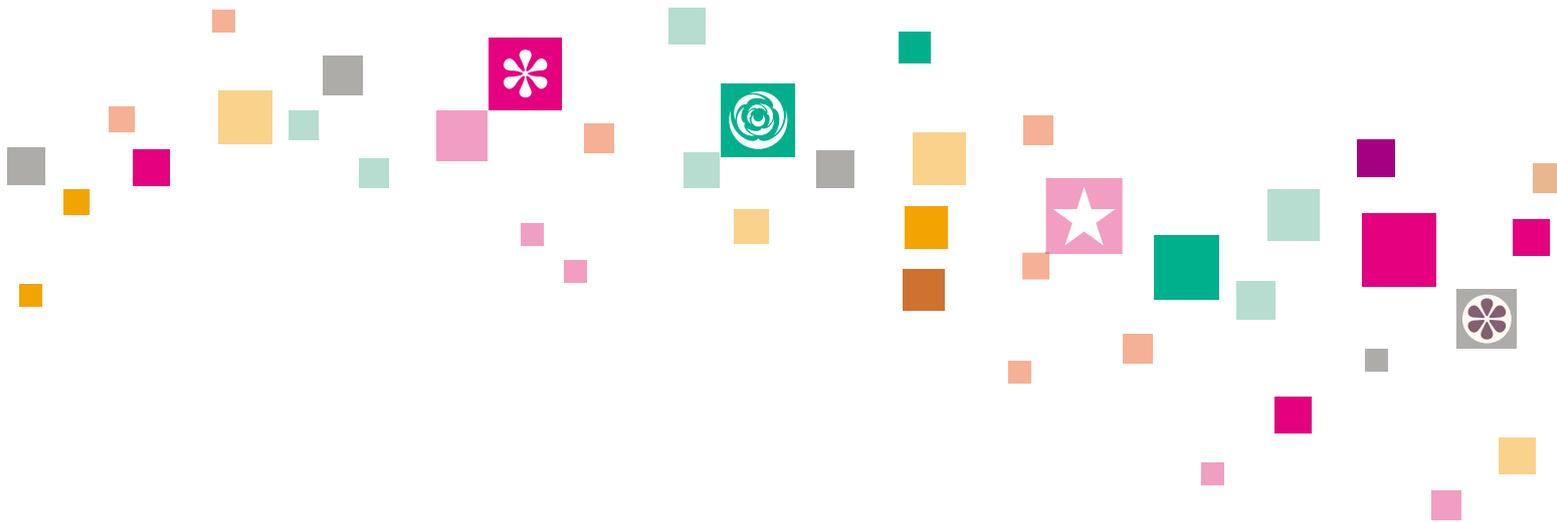
## INVESTOR INFORMATION

For more information about the Group,  
please contact the Corporate Affairs Department of  
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## WEBSITE

[www.nwds.com.hk](http://www.nwds.com.hk)





新世界百貨中國有限公司  
New World Department Store China Limited  
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(Stock Code: 825)

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