新世界百貨中國有限公司
New World Department Store China Limited
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 825)

ANNUAL RESULTS ANNOUNCEMENT 2022/2023

HIGHLIGHTS

Same-store sales[1] growth for the year was –10.2%. The growth for the Previous Year was –21.3%.

Revenue for the year was HK$1,483.7 million compared with HK$1,934.6 million in the Previous Year.

Operating loss for the year was HK$79.4 million compared with HK$199.6 million in the Previous Year.

Loss for the year was HK$320.9 million compared with HK$483.4 million in the Previous Year.

Loss per share for the year was HK$0.19.

[1] Same-store sales calculation reflects proceeds from sale of goods and rental income, and the adjustment of the operational strategy for the stores in operation.

ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2023

The board of directors (the "Board" or "Directors") of New World Department Store China Limited (the "Company") is pleased to announce the audited annual results of the Company and its subsidiaries (together, the "Group") for the year ended 30 June 2023 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

	Note	**2023** ***HK$'000***	2022 *HK$'000* *(Restated)*
Revenue	*2*	**1,483,733**	1,934,557
Other income	*3*	**291,936**	342,155
Other gains/(losses), net	*4*	**36,413**	(104,565)
Changes in fair value of investment properties		**(22,527)**	(107,504)
Purchases of and changes in inventories, net		**(372,500)**	(464,456)
Purchases of promotion items		**(15,225)**	(16,697)
Employee benefit expense		**(408,692)**	(486,748)
Depreciation		**(382,656)**	(506,669)
Rental expense		**(74,877)**	(110,090)
Other operating expenses, net	*5*	**(615,000)**	(679,578)
Operating loss		**(79,395)**	(199,595)
Finance income		**22,983**	33,170
Finance costs		**(226,155)**	(240,124)
Finance costs, net	*6*	**(203,172)**	(206,954)
Loss before income tax		**(282,567)**	(406,549)
Income tax expense	*7*	**(38,285)**	(76,832)
Loss for the year		**(320,852)**	(483,381)
Loss per share attributable to shareholders of the Company (expressed in HK$ per share)			
– Basic and diluted	*9*	**(0.19)**	(0.29)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	2023 HK$'000	2022 HK$'000
Loss for the year	**(320,852)**	(483,381)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Revaluation of properties upon reclassification from property, plant and equipment and right-of-use assets to investment properties	**7,809**	147,214
– Deferred income tax thereof	**(1,952)**	(36,803)
	5,857	110,411
Items that may be reclassified subsequently to profit or loss		
Translation differences	**(313,245)**	(92,101)
Other comprehensive (loss)/income for the year, net of tax	**(307,388)**	18,310
Total comprehensive loss for the year	**(628,240)**	(465,071)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	2023 HK$'000	2022 HK$'000
Assets			
Non-current assets			
Property, plant and equipment		**708,775**	769,021
Investment properties		**4,923,988**	5,396,060
Right-of-use assets		**2,382,218**	3,035,595
Intangible assets		**1,017,443**	1,107,218
Interest in an associated company		**–**	–
Prepayments, deposits and other receivables		**163,814**	196,947
Finance lease receivables		**290,613**	368,722
Finance assets at fair value through profit or loss		**66,494**	78,000
Deferred income tax assets		**86,191**	92,078
		9,639,536	11,043,641
Current assets			
Inventories		**79,045**	94,606
Debtors	*10*	**20,750**	34,861
Prepayments, deposits and other receivables		**142,948**	191,190
Finance lease receivables		**75,238**	68,673
Amounts due from fellow subsidiaries		**2,286**	976
Amounts due from related companies		**–**	7
Fixed deposits with original maturity over three months		**307,186**	459,853
Cash and bank balances		**524,327**	619,595
		1,151,780	1,469,761
Total assets		**10,791,316**	12,513,402
Equity and liabilities			
Equity			
Share capital		**168,615**	168,615
Reserves		**3,206,401**	3,834,641
Total equity		**3,375,016**	4,003,256

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2023

	Note	**2023**	2022
		HK$'000	*HK$'000*
Liabilities			
Non-current liabilities			
Lease liabilities		**2,500,913**	3,256,172
Deferred income tax liabilities		**896,367**	967,804
		3,397,280	4,223,976
Current liabilities			
Creditors	*11*	**661,426**	580,311
Accruals and other payables		**1,000,400**	1,004,744
Lease liabilities		**625,597**	868,768
Contract liabilities		**169,673**	228,900
Amounts due to fellow subsidiaries		**10,404**	4,691
Amounts due to related companies		**47,976**	19,156
Amounts due to ultimate holding company		**81,995**	79,873
Borrowings		**1,412,495**	1,489,544
Tax payable		**9,054**	10,183
		4,019,020	4,286,170
Total liabilities		**7,416,300**	8,510,146
Total equity and liabilities		**10,791,316**	12,513,402

NOTES

1 BASIS OF PREPARATION

The consolidated financial statements for the year ended 30 June 2023 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets at fair value through profit or loss ("FVPL") which are carried at fair value.

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

As at 30 June 2023, the Group had net current liabilities of approximately HK$2,867,240,000, which included short term bank borrowings of approximately HK$699,495,000 and shareholder loans of HK$713,000,000 from New World Development Company Limited ("NWD"), its ultimate holding company.

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

The Group's shareholder loans from NWD will mature within the next 12 months from 30 June 2023. NWD has confirmed its intention to renew the shareholder loans for another 12 months upon their maturity.

In addition, during the year, the Group had successfully renewed its short term bank borrowings for another 12 months, which will mature within the next 12 months from 30 June 2023. As at 30 June 2023, short term bank borrowings included in current liabilities of approximately HK$699,495,000 were guaranteed by NWD. The directors of the Company are confident that its short term bank borrowings can be renewed upon their maturity in view of the Group's track record of successful renewal of the short term bank borrowings and the continued guarantee provided by NWD.

Other than the abovementioned short term bank borrowings, subsequent to 30 June 2023, the Group was granted committed bank borrowing facilities of RMB320,000,000 (equivalent to approximately HK$345,946,000) with maturity of one year, for working capital purpose.

The directors of the Company are of the opinion that, taking into account the anticipated cash flows generated from the Group's operation; the availability of the bank borrowing facilities and successful renewal of the shareholder loans as and when needed, the Group will have adequate resources to continue its operations for the foreseeable future and to meet with its financial obligations as and when they fall due in the next 12 months from 30 June 2023. Accordingly, the directors of the Company consider it is appropriate to prepare these consolidated financial statements on a going concern basis.

1 BASIS OF PREPARATION (CONTINUED)

(a) Adoption of amendments to standards and revised accounting guideline

In the current year, the Group has adopted the following amendments to standards and revised accounting guideline, which are mandatory for the financial year ended 30 June 2023:

Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
HKFRSs Amendments	Annual Improvements to HKFRSs 2018–2020 Cycle
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination

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

(b) New standard, amendments to standards and interpretation which are not yet effective

The following new standard, amendments to standards and interpretation which are not yet effective are mandatory for the accounting periods beginning on or after 1 July 2023 or later periods which the Group has not early adopted:

HKFRS 17 and amendments to HKFRS 17	Insurance contracts
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transactions
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The Group has already commenced an assessment of the impact of the new standard, amendments to standards and interpretation, certain of which may give rise to changes in accounting policies, changes in disclosures and remeasurement of certain items in the consolidated financial statements.

1 BASIS OF PREPARATION (CONTINUED)

Prior to 1 July 2022, the Group recognised service income from concessionaires and tenants in relation to the reimbursement of certain operating expenses on a net basis against the Group's other operating expenses and employee benefit expense. During the year ended 30 June 2023, the Group has revisited its arrangements with its concessionaires and tenants and considered the service income received from them for which the Group is a principal, should be accounted for as other income. Adjustments have been made to reclassify the comparative information to conform with the current year presentation. There were no net impact on the loss for the year ended 30 June 2022 and the balance sheet position as at 30 June 2022. The nature and amounts of the adjustments are summarised as follows:

Certain service income from concessionaires and tenants amounting to HK$281,817,000 which was previously recognised within "Other operating expenses, net" and "Employee benefit expense" for the year ended 30 June 2022 is now reclassified as "Other income".

The impact on the consolidated income statement for the year ended 30 June 2022 is presented as below:

	For the year ended 30 June 2022 *HK$'000*
Increase in other income	281,817
Increase in other operating expenses, net	258,307
Increase in employee benefit expense	23,510

2 REVENUE AND SEGMENT INFORMATION

	2023 *HK$'000*	2022 *HK$'000*
Commission income from concessionaire sales	**479,918**	665,362
Sales of goods – direct sales	**402,350**	501,160
Revenue from contracts with customers	**882,268**	1,166,522
Rental income	**583,840**	745,607
Interest income from finance leases as the lessor	**17,625**	22,428
	1,483,733	1,934,557

2 REVENUE AND SEGMENT INFORMATION (CONTINUED)

The income from concessionaire sales is analysed as follows:

	2023	2022
	HK$'000	*HK$'000*
Proceeds from concessionaire sales	**3,618,718**	4,654,718
Commission income from concessionaire sales	**479,918**	665,362

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

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

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

2 REVENUE AND SEGMENT INFORMATION (CONTINUED)

	Department store business *HK$'000*	Property investment business *HK$'000*	Consolidated *HK$'000*
For the year ended 30 June 2023			
Segment revenue	**1,280,535**	**203,198**	**1,483,733**
Segment operating results	**(18,724)**	**77,690**	**58,966**
Other gains, net	**38,893**	**2,055**	**40,948**
Changes in fair value of investment properties	**–**	**(22,527)**	**(22,527)**
Unallocated corporate expenses, net			**(156,782)**
Operating loss			**(79,395)**
Finance income			**22,983**
Finance costs			**(226,155)**
Finance costs, net			**(203,172)**
Loss before income tax			**(282,567)**
Income tax expense			**(38,285)**
Loss for the year			**(320,852)**
For the year ended 30 June 2022			
Segment revenue	1,663,910	270,647	1,934,557
Segment operating results	(57,892)	134,267	76,375
Other losses, net	(90,141)	(14,424)	(104,565)
Changes in fair value of investment properties	–	(107,504)	(107,504)
Unallocated corporate expenses, net			(63,901)
Operating loss			(199,595)
Finance income			33,170
Finance costs			(240,124)
Finance costs, net			(206,954)
Loss before income tax			(406,549)
Income tax expense			(76,832)
Loss for the year			(483,381)

2 REVENUE AND SEGMENT INFORMATION (CONTINUED)

	Department store business *HK$'000*	**Property investment business** *HK$'000*	**Consolidated** *HK$'000*
As at 30 June 2023			
Segment assets	**5,314,558**	**5,318,286**	**10,632,844**
Deferred income tax assets	**85,694**	**497**	**86,191**
Unallocated corporate assets:			
Cash and bank balances			**5,528**
Others			**66,753**
Total assets			**10,791,316**
For the year ended 30 June 2023			
Additions to non-current assets *(Note (i))*	**107,947**	**6,068**	**114,015**
Depreciation	**381,327**	**1,329**	**382,656**
Impairment loss on property, plant and equipment and right-of-use assets	**3,769**	**–**	**3,769**
(Reversal of loss allowance)/loss allowance of debtors and other receivables	**(17,576)**	**7,634**	**(9,942)**
Gain on derecognition of lease liabilities and right-of-use assets, net *(Note (ii))*	**(55,826)**	**–**	**(55,826)**
Gain on derecognition of right-of-use assets, net	**(1,894)**	**–**	**(1,894)**
Loss allowance, loss/(gain) on derecognition and lease modification of finance lease receivables, net	**12,883**	**(2,052)**	**10,831**
As at 30 June 2022			
Segment assets	6,451,068	5,871,402	12,322,470
Deferred income tax assets	92,078	–	92,078
Unallocated corporate assets:			
Cash and bank balances			20,608
Others			78,246
Total assets			12,513,402
For the year ended 30 June 2022			
Additions to non-current assets *(Note (i))*	111,977	7,235	119,212
Depreciation	503,746	2,923	506,669
Impairment loss on goodwill	212,410	7,940	220,350
Impairment loss on property, plant and equipment and right-of-use assets	78,576	–	78,576
Loss allowance of debtors, deposits and other receivables	50,092	27,667	77,759
Gain on derecognition of lease liabilities and right-of-use assets, net *(Note (ii))*	(201,376)	–	(201,376)
Gain on derecognition of right-of-use assets, net	(46,237)	(2,336)	(48,573)
Loss allowance, loss on derecognition and lease modification of finance lease receivables, net	44,864	8,812	53,676

Notes:

(i) Additions to non-current assets represented additions to non-current assets other than financial instruments, interest in an associated company and deferred income tax assets.

(ii) Gain on derecognition of lease liabilities and right-of-use assets, net was due to downsizing and closure of certain department stores.

3 OTHER INCOME

	2023	2022
	HK$'000	*HK$'000*
		(Restated)
Income from suppliers, concessionaires and tenants		
– Administration and management fees	**186,637**	232,330
– Credit card handling fees	**37,442**	49,436
– Promotion and related fees	**24,184**	23,742
Government grants	**8,601**	12,525
Sundries	**35,072**	24,122
	291,936	342,155

4 OTHER GAINS/(LOSSES), NET

	2023	2022
	HK$'000	*HK$'000*
Gain/(loss) on deregistration of subsidiaries	**660**	(1,724)
Loss on fair value of financial assets at FVPL, net	**(4,535)**	–
Impairment loss on goodwill *(Note (i))*	**–**	(220,350)
Impairment loss on property, plant and equipment and right-of-use assets *(Note (i))*	**(3,769)**	(78,576)
Impairment loss on interest in an associated company	**–**	(297)
Impairment loss on prepayments, deposits and other receivables	**–**	(5,865)
Gain on derecognition of lease liabilities and right-of-use assets, net *(Note (ii))*	**55,826**	201,376
Loss on disposal of property, plant and equipment, net	**(2,832)**	(8,229)
Gain on derecognition of right-of-use assets, net *(Note (iii))*	**1,894**	48,573
Loss on derecognition of finance lease receivables, net	**(9,877)**	(39,505)
Loss allowance and loss on lease modification of finance lease receivables, net	**(954)**	(14,171)
Rent concessions *(Note (iv))*	**–**	14,203
	36,413	(104,565)

Notes:

(i) The impairment losses were made to reflect management's latest plan for mainly two department stores (2022: six department stores) in light of the latest market environment, the impact caused by the pandemic of COVID-19 and the management's assessment on the business prospect thereof.

(ii) Gain on derecognition of lease liabilities and right-of-use assets, net was due to downsizing and closure of certain department stores.

(iii) Gain on derecognition of right-of-use assets, net is recognised at the inception of subleases to tenants which are accounted for as finance lease receivables.

(iv) Rent concessions represented the reduction in lease payment directly related to COVID-19. The Group has applied the practical expedient to all rent concessions that meet the conditions in the amendments to HKFRS 16.

5 OTHER OPERATING EXPENSES, NET

	2023	2022
	HK$'000	*HK$'000*
		(Restated)
Property management and related expenses	**135,879**	164,752
Electricity and water expenses	**85,374**	76,223
Selling, promotion, advertising and related expenses	**41,820**	52,606
Auditors' remuneration		
– Audit services	**3,900**	3,766
– Non-audit services	**975**	994
Net exchange loss	**129,168**	34,050
Other tax expenses	**99,599**	129,724
(Reversal of loss allowance)/loss allowance of debtors	**(4,265)**	48,463
(Reversal of loss allowance)/loss allowance of other receivables	**(5,677)**	23,431
Compensation expenses *(Note)*	**63,839**	74,394
Others	**64,388**	71,175
	615,000	679,578

Note:

Compensation expenses represented the compensation to the affected parties related to the termination of the operation of certain department stores.

6 FINANCE COSTS, NET

	2023	2022
	HK$'000	*HK$'000*
Interest income on bank deposits	**(22,983)**	(33,170)
Interest expense on bank loans	**28,207**	8,644
Interest expense on shareholder's loans	**29,452**	8,905
Interest expense on lease liabilities	**168,496**	222,575
	226,155	240,124
	203,172	206,954

7 INCOME TAX EXPENSE

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

	2023	2022
	HK$'000	*HK$'000*
Current income tax		
– Mainland China taxation	**33,993**	66,261
– Under/(over)-provision in prior years	**544**	(40)
Deferred income tax		
– Other temporary differences	**3,748**	10,611
	38,285	76,832

Taxation has been provided at the tax rates prevailing in the tax jurisdictions in which the members of the Group operate. No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit in Hong Kong for the years ended 30 June 2023 and 2022.

Subsidiaries of the Company in Mainland China are subject to corporate income tax at a rate of 25% (2022: 25%).

8 DIVIDENDS

The Directors have resolved not to recommend a final dividend for the year ended 30 June 2023 (2022: HK$Nil).

9 LOSS PER SHARE

(a) Basic

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

	2023	2022
Loss attributable to shareholders of the Company (HK$'000)	**(320,852)**	(483,381)
Weighted average number of ordinary shares in issue (shares in thousands)	**1,686,145**	1,686,145
Basic loss per share (HK$ per share)	**(0.19)**	(0.29)

(b) Diluted

Diluted loss per share for the years ended 30 June 2023 and 2022 are equal to basic loss per share as there was no dilutive potential ordinary share in issue.

10 DEBTORS

	2023	2022
	HK$'000	*HK$'000*
Debtors	**27,549**	88,480
Less: loss allowance	**(6,799)**	(53,619)
Debtors, net	**20,750**	34,861

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

	2023	2022
	HK$'000	*HK$'000*
Within period for		
0–30 days	**15,012**	32,413
31–60 days	**477**	1,254
61–90 days	**64**	30
Over 90 days	**5,197**	1,164
	20,750	34,861

The debtors were primarily denominated in Renminbi.

11 CREDITORS

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

	2023	2022
	HK$'000	*HK$'000*
Within period for		
0–30 days	**418,986**	395,416
31–60 days	**135,816**	20,265
61–90 days	**22,562**	16,839
Over 90 days	**84,062**	147,791
	661,426	580,311

The creditors were primarily denominated in Renminbi.

Creditors included amounts due to related companies of approximately HK$41,600,000 (2022: HK$41,417,000) which were unsecured, interest free and repayable within 90 days.

BUSINESS REVIEW

Results Summary

During the year under review, China's overall retail and the Group's business development were hindered to a varying extent resulting from the complex and dynamic international environment, sluggish growth in global economy and unstable foundation of overall economic recovery as well as intertwined uncertainties.

Due to the impact of the recurring pandemic for which some stores made timely adjustments on business hours and models in line with the government's pandemic prevention policies. Under this circumstance, the foot traffic declined, and the mass consumption power and consumer sentiment were weaker, leading to the lower consumption demand as well as low frequency of offline transactions and ticket size. Together with the impact on physical retail network by the online retail sales, the Group's operating income capacity is still under recovering.

For the year ended 30 June 2023, the Group's revenue for the year was HK$1,483.7 million, compared with HK$1,934.6 million of the Previous Year. In terms of segment, the Group's revenue for the year was mainly derived from rental income sales which accounted for 39.4%. This was followed by commission income from concessionaire sales which took up 32.3%, sales of goods for direct sales which took up 27.1%, and interest income from finance leases as the lessor, which took up 1.2%.

The Group's loss for the year ended 30 June 2023 was HK$320.9 million, compared with HK$483.4 million of loss for the year ended 30 June 2022. Loss per share for the year under review was HK$0.19.

Business Network

As at 30 June 2023, the Group operated 23 department stores and shopping malls in Mainland China, covering 12 key locations across the country including Beijing, Shanghai, Chongqing, Wuhan, Nanjing, Tianjin, Changsha, Zhengzhou, Yantai, Shenyang, Lanzhou and Mianyang, with a total gross floor area of about 946,900 square metres.

To consolidate and optimise its resource allocation, the Group closed three stores during the year under review, namely Xi'an Trendy Plaza, Kunming Store and Yanjiao Store.

OPERATIONS REVIEW

As the pandemic control measures in Mainland China started to relax from the end of 2022, a series of policies to stabilise growth and stimulate consumption were implemented by the government of the People's Republic of China (the "**State Government**"), the economy and society fully restored normalcy. The retail industry market acts as the core carrier of the offline consumption, the Group has been attaching great importance to its business development by capitalising the trend of the consumption precisely, enhancing the consumption scenarios and contents, and responding swiftly to diversified and personalised market demands.

During the year under review, the Group kept abreast of the development trend of consumption and business, and continued to optimise its businesses from multiple aspects including category management, marketing promotion, channels expansion and technology application relying on its offline stores.

The Group has been remaining consumer-value-centric, continuously improved multi-channel experience in shopping and services, and actively strengthened the innovation and attractiveness of marketing and promotion campaigns. Examples include the 30th anniversary of the Group, where it created the traffic-driving Intellectual Property ("IP") "San Shi e Li" (三十鵝立) and launched the first "New World Department Store 66 Festival" (新世界百貨66節) across all stores and branch stores, providing generous membership benefits and discounts to drive foot traffic and attracted new members and boosted sales. In terms of category management, Beijing Chongwen Store continued to grow their exclusive advantages of affordable luxury cosmetics categories, strengthen the supply capacity of high-quality and differentiated products and services and improve the operating efficiency of stores with enhanced store image. For online business, the Group has been operating online platforms such as TikTok and "New Lab Mini Program" store-by-store independently, exploring channels for business growth to create a more diversified digitalised business. Meanwhile, leveraging on its big data technology to portrait member profile for more precise engagements with them and by combining channels such as short video and live streaming, the Group rapidly drove the construction of an operation system in private domain and promoted the growth in number of members and sales conversion.

Commercial Complex Business

Department Store and Shopping Mall Business

During the year under review, "People, Merchandise, Place" remained the focus of the Group. Based on the three major factors – trendiness, popularity and accessibility, the revamp continued to optimise consumption scenario setting and brand upgrading. Each store was enhanced in an orderly manner according to its own characteristics and the features of the business district where it locates.

During the year under review, the first phase of image revamp for Beijing Chongwen Store has completed as scheduled. Shanghai Wujiaochang Branch Store was committed to increase the proportion of store leases by introducing experiential offerings and popular food and beverage ("F&B") categories, thereby optimising its brand mix. Shanghai Huaihai Branch Store transformed itself into a youthful fashion hub featuring the brands' first stores, flagship stores and urban concept shops with a brand-new presence. For example, YONEX, the Japanese badminton brand, successfully launched its first domestic retail experience store. Setting the theme of "Huixian Blossom" (花開會仙), Mianyang Store upgraded its store appearance and ancillary facilities accordingly.

Among the product categories, affordable luxury cosmetics has long been the Group's flagship offerings. Beijing Chongwen Store actively expanded and upgraded its cosmetics brands, with a view to building the preferred comprehensive department store in cosmetics specialty in the south of Beijing. The successive introduction of premium skin care brands such as LA MER, HELENA RUBINSTEIN, LA PRAIRIE, SKINCEUTICALS and POLA strengthened the Group's advantages in cosmetics product clusters, and also set a new trend for the Group to achieve new heights in its merchandising.

The Group took the initiative to further engage with consumers and promote multi-channel experience. During the Lunar New Year, a ninth-marketing events was launched under the theme of "Rabbit (兔) Be The Best". In June 2023, coinciding the Group's 30th anniversary, the Group launched a large-scale promotion of "San Shi e Li – New World Department Store 66 Festival" (三十鵝立 – 新百66節) with the image of the youthful "Big Goose" as the traffic-driving IP. During the promotion, innovative and featured video clips were released on multiple channels, attaining over hundreds of thousands views. The "New Lab Mini Program" online zone launched various creative and exciting events and coupons for members to draw traffic and drive sales during the campaign. The event achieved an increase of 61% year-on-year ("YOY") in overall sales, and an improvement in online sales from the "New Lab Mini Program" by 232% YOY. Meanwhile, the Group also actively integrated philanthropy and environmental protection into daily marketing and operations. For example, all of our branch stores were mobilised to set up "Women Caring Box"（女性關愛箱）in the stores for female customers before the International Women's Day (8 March), providing exclusive emergency items to show our care for them.

As an essential platform of the Group's operations in private domain, the "New Lab Mini Program" was optimised for its functions for system users and achieved operational upgrades through product digitalisation, marketing matrix and e-commerce. The program also launched the highly sought-after and interactive themed-events, such as "618 Early Bird Offers" (618搶先購) and "Valentine's Day Exclusives" (情人節甜蜜專享), gauging attention from customers through multiple channels including WeChat Official Accounts and Channels for establishing marketing matrix for the Group. During the year under review, the number of members of the "New Lab Mini Program" reached over 1.13 million.

The new media online platforms enjoy huge advantages in traffic exposure, live streaming e-commerce, and brand promotion. The Group conducted a comprehensive promotions on live streaming e-commerce in its stores, delivering high-frequency, stable and long-lasting live streams during its daily operation to enhance loyalty and conversion rate of followers, broadening traffic channels to increase retail efficiency. During the year under review, the "General Manager Live Room"(總經理直播間) was newly-added in the channel of the "New Lab Mini Program" by the Group. The general managers from each store acted as "Referrers" (推薦官) in the live room and shared brand stories as they went through "Cloud" shopping. In addition, each store fully explored its local specialty product offerings, and conducted live streaming of differentiated products such as "Second Batch of Natural Cherries" (田園櫻桃第二彈) and "Special Offer of Nutritious Sea Cucumber"(滋補海參專場) so as to explore the Group's unique feature resources. During the year under review, the Group conducted around 1,000 live streaming e-commerce activities in total, which integrated innovative approaches such as store visit by influencers and cross-store commodity sharing, and accelerated traffic attraction and customer base expansion.

The Group enhanced its members' loyalty by, among others, optimising membership benefits, fostering digitalisation and enhancing marketing efforts, and enriched consumption scenarios for members with a diversified reward scheme. During the year under review, the Group utilised big data analysis to implement precise marketing on members, and achieved tracking, re-engaging and retaining of key members. Meanwhile, e-payment points were introduced for tenants in all stores, where customers may automatically earn New World Department Store ("NWDS")'s reward points when making e-payments without utilising offline customer service. This would not only achieve greater convenience for customers to earn points after shopping, but would also help the Group to devise more precise and personalised services. For membership marketing, various member-exclusive activities were launched to strengthen member interaction and promote membership expansion. For example, Beijing Tendy Store has launched activities that cater to the coffee needs of young officers and their pursuit of life aesthetics, such as the "Coffee Life Festival"（咖啡慢享生活節）and "Garden Crafts" (花園手作), which were popular among urban youth. It has attracted widespread attention and active enrollment from new members. In addition, tenant vouchers, including tenant gift vouchers, tenant reward vouchers, tenant value vouchers, were launched in all stores to encourage members to use NWDS reward points in multiple scenarios and motivate them to shop in stores. As of May 2023, the percentage of sales attributable to the members accounted for 57.2%.

As at 30 June 2023, the total number of followers on the official Weibo and WeChat accounts of the Group and its stores increased by 3.25% YOY, and the total number of members of the Group increased by 4.5% YOY to 7.33 million.

Rental Business

During the year under review, the Group further adjusted and optimised the introduction of regional first stores and benchmarked brand flagship stores and creation of scenarios. Tea houses and restaurants recommended by key opinion leaders ("KOLs"), attributable to the re-emergence of offline consumption, became consumer magnets for our stores. To name a few, Nanjing Store introduced the celebrity tea house brand "CHAGEE"(霸王茶姬) – first in its kind in the business district where it locates and landed the debut of the F&B brand "Shangguandong" (上關東) in Nanjing. Changsha Trendy Plaza introduced "Cha Yan Yue Se & YUENN&YANG Coffee Concept Store" (茶顏悅色&鴛鴦咖啡集合概念店), the first multi-brand store in this shopping mall in Changsha. Shanghai Huaihai Branch Store witnessed the inauguration of the sure-fire Japanese seafood buffet "Chuzhuo" (初酌) and the Chengdu "Chuanchuan" hotpot "Chuanchuan Jishi" (川川吉市), the favourite of the "KOLs" in the city. Shanghai Shaanxi Road Branch Store not only brought in the hotpot restaurant "Zhu Guang Yu" (朱光玉) in vogue, but also transformed Starbucks into a pet-friendly store. Moreover, Shanghai Pujian Branch Store witnessed the opening of M Stand, a lifestyle specialty café integrating classic, creative, and aesthetic design, and refurbished the boutique bakery Bread Talk in its effort to attract younger cohort and hence drive foot traffic.

With healthy lifestyle continues to be a hit, sports and fitness remain a focus of the Group. During the year under review, on top of the well-received domestic sportswear brands of Li Ning and Anta as new joiners, the Group stepped up its effort by introducing more experiential sports Brands, as evidenced by the opening of the first Chinese YONEX store, the Japanese badminton brand, in Shanghai Huaihai Branch Store, indoor skiing club "KP Skiing" (KP Skiing 室內滑雪) in Shanghai Chengshan Branch Store, and "MORE LUCKY Pilates Studio" (魔練普拉提) in Shanghai Pujian Branch Store. The ongoing effort to grow the brand mix in sports segment helped satisfy customers' appetite for niche markets of fitness.

The Group always keeps abreast of emerging trends and brands, in particular experimental theatre, eSports stadium and fight club that capture younger bracket. During the year under review, a popular stand-up comedy club "ErSanSan Talkshow" (貳叁叁脱口秀) started performing in Shanghai Huaihai Branch Store, pink-themed claw machine store "Pink Online" (暖粉在線) opens in Changsha Trendy Plaza as the first in Hunan Province, "Capital Training Center" (首泰CTC格鬥館) sets a foot in Beijing Trendy Store, and yoga studio LADY.V and Go-Kart club “Carl Clans” (卡爾部落) commence business in Shanghai Baoshan Branch Store. By widening the range of interactive entertainment, we offer better experience to customers, which drive new footfall for our stores.

Private Label Business

As of 30 June 2023, the Group operated four large complex supermarkets “New World Supermarket”, which are located in Beijing, Wuhan, Lanzhou and Yantai respectively. The “New World Supermarkets” delivered quality fresh food and seasonal products with over 10,000 stock keeping units introduced; it was also continued the integration with online platform to optimise sales and inventory management and strengthened the membership during the year.

In terms of stores, envisioned to be a boutique supermarket, the Beijing Chongwen Store “New World Supermarket” is undergoing stages of revamp, with new display of shelf-stable food, non-staple food and wine and spirits sections finalised whereas grocery and fresh product sections close to completion. The supermarket of Wuhan Jianshe Store also rearranged the layout of products based on the sectional characteristics to create a more luxurious and cosier ambience, and a new theme was set for houseware section.

To strengthen the membership maintenance, New World Supermarket offered more exclusive offline benefits such as members’ day discounts, organised targeted online marketing events with discounts given to purchases that exceed certain amount, speeded up the replenishing new products with great potential, and fully harnessed online platforms including “New Lab Mini Program” and Meituan to add convenience for shoppers and broaden sales channels. The percentage of sales attributable to the supermarket members accounted for 64%.

As of 30 June 2023, the Group operated five LOL (Love • Original • Life) (“LOL”) private concept shops. Among them, three shops are located in Shanghai and two shops are located in Beijing.

During the year under review, the Group implemented a comprehensive upgrade of the LOL shop in Shanghai K11 Art Mall that centres on the brand-new namesake selection. With fashion buyers being the brains behind, the shop not only brought in distinctive products, visual display, and shopping experience, but also added trendy and playful elements to create a new atmosphere that blends diverse dimension culture, allowing customers rediscover the amusement of offline shopping.

LOL actively scouts for home accessories and artworks with outstanding aesthetics and design, and enriched the deluxe dinning and cooking experience. The introduction of international and domestic brands for home products including the legendary Spanish porcelain brand LLADRO, the Dutch vintage home accessory brand Authentic Models, the Italian furniture design brand Qeeboo, the Japanese tableware brand NORITAKE, the French fragrance brand Cote Noire, the British royals beloved brand HALCYON DAYS, the

Austrian wine vessel brand RIEDEL, together with labels "My Precious" (貴貴的禮物) founded by emerging artists made the place even more pleasant and soothing. Riding the trend of outdoor culture, LOL cherrypicked various camping and lifestyle brands, with broad product categories covering street style, camping, travelling and parenting, such as the introduction of camping and skateboards under Dutch outdoors brand Fatboy, LOL is now sprinkled it's branding concept of better life to different fields.

From February 2023, LOL optimised its membership admission and added benefits for new joiners such as vouchers for repeat patronage. The loyalty and robust purchasing power of new members were evidenced by over RMB1.3 million in sales. Moreover, the improved store image, upgraded products, and membership expansion and enhancement secured a YOY 21% growth in sales for LOL for the year under review.

OUTLOOK

The lifting of the pandemic prevention and control measures in full turns the page for the retail industry, as the further unleash of demand and the accelerated upgrading of consumption will show signs of recovery for the whole industry.

Against the favourable backdrop, the Group will put its main business front and centre to stay in tune with the dynamic consumer market. Adhering to customer-oriented philosophy (merchandises, services and experiences), it will further invest in enhancing operating efficiency. It will also continue the improvement and adjustment in brand upgrading and scenario creation to increase member engagement and interaction with more digital experience.

Looking ahead, the Group will invest more resources into multi-channel operation and digital supply chain. Based on the online sales platform "New Lab Mini Program", the network of multi-channel operation will reach further to TikTok and other live streaming e-commerce platforms. In addition, we will ramp up the multi-channel marketing collaboration along with blazing a trail for marketing campaigns that bring sales increase, in hope to boost both online and offline traffic.

In view of the fact that green consumption and healthy lifestyle gain momentum, the Group will continue to deliver green, quality, sustainable merchandises and services, and will put its advantage into play by facilitating positive interaction between consumers and suppliers, achieving sustainable development with persistence and efficiency, and creating social shared value.

FINANCIAL REVIEW

Revenue and Other Income

Revenue of the Group was HK$1,483.7 million in FY2023 (or the "Current Year") (FY2022 (or the "Previous Year"): HK$1,934.6 million). The drop was primarily due to the continuous impact of the COVID-19 pandemic in Mainland China and the operation of retail business in some regions has been adversely affected and are under greater operational pressure.

Gross sales proceeds of the Group, comprising proceeds from concessionaire sales and sales of goods for direct sales, rental income, interest income from finance leases as the lessor and other income, was HK$4,914.5 million in FY2023 (FY2022: HK$6,266.1 million).

The Group's merchandise gross margin (the combination of concessionaire commission rate and direct sales margin) was 12.7% in the Current Year (FY2022: 13.6%). In FY2023, gold, jewellery and watch made up approximately 36.0% of proceeds from concessionaire sales and sales of goods for direct sales. Ladieswear, menswear and accessories made up approximately 32.4%, cosmetic products made up approximately 11.0%, sportswear made up approximately 9.2% and kidswear, foodstuffs, electrical appliances, and housewares largely made up the rest. Direct sales revenue in the Current Year mainly comprised sales of cosmetic products (approximately 78.0%), supermarkets and convenience stores (approximately 20.0%), life concept shops, ladieswear, menswear and accessories as well as miscellaneous items (approximately 2.0%).

Rental income decreased by 21.7% from HK$745.6 million in FY2022 to HK$583.8 million in FY2023, mainly due to continuous impact of the COVID-19, downsizing of Tianjin New World Department Store, closure of Harbin New World Department Store, Hong Kong New World Department Store – Shanghai Qibao Branch Store and Chengdu New World Department Store in FY2022, and closure of Xi'an New World Trendy Plaza, Kunming New World Department Store and Yanjiao New World Department Store in the Current Year.

Interest income from finance leases as the lessor was HK$17.6 million in FY2023 compared with HK$22.4 million in FY2022.

Other income of the Group was HK$291.9 million in FY2023 compared with HK$342.2 million in FY2022. The decrease was primarily due to a decrease in administration and management fees collected from suppliers, concessionaires and tenants of HK$45.7 million in the Current Year.

Other Gains/(Losses), Net

Net other gains of the Group in the Current Year was HK$36.4 million which was primarily resulted from HK$55.8 million net gain on derecognition of lease liabilities and right-of-use assets due to closure of Xi'an New World Trendy Plaza and Kunming New World

Department Store and HK$1.9 million net gain on derecognition of right-of-use assets in FY2023. The gains were partially offset by HK$4.5 million net loss on fair value of financial assets at fair value through profit or loss, HK$3.8 million of impairment loss on property, plant and equipment and right-of-use assets for mainly two department stores in light of the latest market environment and the management's assessment on the business prospect thereof, HK$10.8 million totalled loss allowance, net loss on derecognition and lease modification of finance lease receivables, and HK$2.8 million net loss on disposal of property, plant and equipment in the Current Year.

Changes in Fair Value of Investment Properties

Changes in fair value of investment properties in the Current Year was HK$22.5 million which was a net loss mainly arose from the decrease in the fair value of the properties in Shanghai City, Tianjin City and Shenyang City.

Purchases of and Changes in Inventories, Net

The purchases of and net changes in inventories primarily represented the cost of sales for direct sales of goods. It decreased to HK$372.5 million in FY2023 from HK$464.5 million in FY2022. The decrease was in line with the decrease in sales of goods for direct sales in the Current Year.

Purchases of Promotion Items

The purchases of promotion items represented the costs of promotion items transferred to the customers of concessionaire sales and direct sales upon their consumption in department stores or redemption of reward points granted under customer loyalty programme. The purchases of promotion items was HK$15.2 million in FY2023 compared with HK$16.7 million in FY2022.

Employee Benefit Expense

Employee benefit expense decreased from HK$486.7 million in FY2022 to HK$408.7 million in FY2023, primarily due to downsizing and closure of certain department stores in FY2022 and FY2023.

Depreciation

Depreciation expense decreased from HK$506.7 million in FY2022 to HK$382.7 million in FY2023. The decrease was primarily due to no depreciation charged in the Current Year for property, plant and equipment and right-of-use assets that have been fully depreciated, impaired or derecognised in FY2022, and downsizing and closure of certain department stores in FY2022 and FY2023.

Rental Expense

Rental expense decreased from HK$110.1 million in FY2022 to HK$74.9 million in FY2023, primarily due to the decrease in turnover rent in line with the decrease in sales proceeds in the Current Year and closure of certain department stores.

Other Operating Expenses, Net

Net other operating expenses decreased from HK$679.6 million in FY2022 to HK$615.0 million in FY2023. The decrease was primarily resulted from the decrease in property management and related expenses of HK$28.9 million due to closure of certain department stores, the decrease in selling, promotion, advertising and related expenses and other tax expenses of HK$40.9 million in total which was in line with the decrease in sales proceeds, a decrease in compensation to the affected parties mainly for the closure of certain department stores of HK$10.6 million, and a reversal of loss allowance of debtors and other receivables of HK$9.9 million in FY2023 compared with a loss allowance of debtors and other receivables of HK$71.9 million in FY2022. The decrease was partially offset by the increase in net exchange loss of HK$95.1 million mainly arising from the changes in the exchange rate of Hong Kong dollar against Renminbi during FY2023 and an increase in electricity and water expenses of HK$9.2 million which was mainly because lower electricity and water expenses was recorded in FY2022 as department store business operation severely suffered from the COVID-19 pandemic and the two-month lockdown in Shanghai City.

Operating Loss

Operating loss was HK$79.4 million in FY2023 compared with HK$199.6 million in FY2022.

Finance Costs, Net

Net finance costs was HK$203.2 million in FY2023 compared with HK$207.0 million in FY2022. The decrease was mainly due to a decrease in interest expense on lease liabilities of HK$54.1 million in the Current Year. The decrease was partially offset by an increase on the average borrowing costs due to the rise in Hong Kong Interbank Offered Rate in FY2023.

Income Tax Expense

Income tax expense of the Group was HK$38.3 million in FY2023 compared with HK$76.8 million in FY2022.

Loss for the year

As a result of the reasons mentioned above, loss for the year was HK$320.9 million compared with HK$483.4 million in the Previous Year.

Liquidity and Financial Resources

Fixed deposits with original maturity over three months and cash and bank balances of the Group amounted to HK$831.5 million as at 30 June 2023 (30 June 2022: HK$1,079.4 million).

The Group's borrowings as at 30 June 2023 were HK$1,412.5 million (30 June 2022: HK$1,489.5 million).

As at 30 June 2023, the Group's was in net debt position of HK$581.0 million (30 June 2022: HK$410.1 million).

At 30 June 2023, the Group's current liabilities exceeded its current assets by HK$2,867.2 million (30 June 2022: HK$2,816.4 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 commitments of the Group as at 30 June 2023 were HK$72.7 million (30 June 2022: HK$43.6 million) which were contracted but not provided for in the consolidated statement of financial position.

Pledge of Assets

As at 30 June 2023, the Group did not have any pledge of assets (30 June 2022: Nil).

Treasury Policies

The Group mainly operates in Mainland China with most of the transactions denominated in Renminbi. The Group is mainly exposed to foreign exchange risk arising from Hong Kong dollar against Renminbi. 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 30 June 2023.

FINAL DIVIDEND

The Directors have resolved not to recommend a final dividend for the year ended 30 June 2023 (2022: nil).

EMPLOYEES, REMUNERATION POLICY AND PENSION SCHEME

As at 30 June 2023, the total number of employees of the Group was 2,117 (2022: 2,412). The Group ensures that all levels of employees are paid competitively within the standard in the market and employees are rewarded on performance related basis within the Group's salary and incentives framework, which is reviewed annually.

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

ACQUISITION AND DISPOSAL

The Group did not have any significant acquisition and disposal for the year ended 30 June 2023.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 30 June 2023, the Company had not redeemed any of its listed securities and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities.

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the time being in force during the year ended 30 June 2023 except for the deviation from code provision B.2.4(a).

Code provision B.2.4(a) stipulates that where all the independent non-executive directors ("INEDs") of an issuer have served more than nine years on the board, the issuer should disclose the length of tenure of each existing INED on a named basis in the circular to shareholders and/or explanatory statement accompanying the notice of the annual general meeting. The Company did not disclose the length of tenure of each INED at the relevant time (each of whom had served more than nine years on the board) in the circular to shareholders dated 21 October 2022 (the "Circular"), as it was our understanding that the relevant disclosures are required to be made in the annual general meeting circular for the financial year commencing on or after 1 January 2022 (i.e. our financial year ending 30 June 2023), but not in the Circular for the year ended 30 June 2022. Accordingly, the Company has provided the supplemental information in its interim report for the six months ended 31 December 2022 that each of the INEDs at the relevant time, namely Mr. Cheong Ying-chew, Henry, Mr. Chan Yiu-tong, Ivan, Mr. Tong Hang-chan, Peter and Mr. Yu Chun-fai, has been serving on the board for more than 15 years. With effect from 1 May 2023, Ms. Ho Pui-yun, Gloria has been appointed as an additional INED of the Company in compliance with the Corporate Governance Code.

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 year ended 30 June 2023. Relevant employees are subject to compliance with written guidelines on no less exacting terms than the Model Code.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established in accordance with requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process, risk management and internal control. The Audit Committee consists of five independent non-executive Directors. The Audit Committee has reviewed the systems of risk management and internal control, the annual results and the consolidated financial statements for the year ended 30 June 2023 and discussed the financial related matters with the management.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 15 November 2023 to Monday, 20 November 2023, both days inclusive, during which period no transfer of share of the Company will be registered. In order to establish entitlements to attend and voting at the forthcoming annual general meeting of the Company, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 14 November 2023.

By order of the board of
New World Department Store China Limited
Dr. Cheng Chi-kong, Adrian
Chairman

Hong Kong, 28 September 2023

As at the date of this announcement, the non-executive Directors are Dr. Cheng Chi-kong, Adrian and Ms. Chiu Wai-han, Jenny; the executive Directors are Mr. Cheung Fai-yet, Philip and Ms. Xie Hui-fang, Mandy; and the independent non-executive Directors are Mr. Cheong Ying-chew, Henry, Mr. Chan Yiu-tong, Ivan, Mr. Tong Hang-chan, Peter, Mr. Yu Chun-fai and Ms. Ho Pui-yun, Gloria.

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