Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 2011/2012

HIGHLIGHTS

Same store sales[1] ("**SSS**") growth of 14.1%.

Revenue improved by 27.6% to HK$3,490.1 million from HK$2,736.2 million of the Previous Year.

Operating profit excluding other gains, changes in fair value of investment properties and the related direct expenses on disposal of a certain portion of property and land use right at which Wuxi Store was situated, increased by approximately 14.6% to HK$740.4 million from HK$646.0 million of the Previous Year.

Profit for the year excluding other gains, changes in fair value of investment properties, the related direct expenses and income tax expenses on disposal of a certain portion of property and land use right at which Wuxi Store was situated, increased by approximately 10.6% to HK$561.3 million from HK$507.4 million of the Previous Year.

Earnings per share was HK$0.36.

Proposed final dividend was HK$138.3 million.

(1) Same store sales growth represents change in total gross sales proceeds and rental income for stores in operation throughout the comparable years.

ANNUAL RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

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 2012 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	**2012** **HK$'000**	2011 HK$'000
Revenue	2	**3,490,100**	2,736,197
Other income	3	**112,614**	139,200
Other gains, net	4	**34,303**	398,527
Changes in fair value of investment properties		**12,092**	20,751
Purchases of and changes in inventories		**(571,244)**	(448,826)
Employee benefit expense		**(541,602)**	(411,281)
Depreciation and amortisation		**(293,768)**	(282,327)
Operating lease rental expense		**(863,107)**	(704,141)
Other operating expenses, net	5	**(592,543)**	(391,346)
Operating profit		**786,845**	1,056,754
Finance income		**60,770**	56,461
Finance costs		**(35,050)**	–
Finance income, net		**25,720**	56,461
Profit before income tax		**812,565**	1,113,215
Income tax expense	6	**(204,818)**	(257,627)
Profit for the year		**607,747**	855,588
Attributable to equity holders of the Company		**607,747**	855,588
Dividends	7	**303,506**	269,783
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in HK$ per share)			
– Basic and diluted	8	**0.36**	0.51

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	HK$'000	*HK$'000*
Profit for the year	**607,747**	855,588
Revaluation of property upon reclassification from property, plant and equipment to investment properties	**12,797**	2,653
– Deferred tax thereof	**(3,199)**	(663)
Fair value loss on available-for-sale financial assets	**–**	(13,676)
Release of investment revaluation upon disposal of available-for-sale financial assets	**–**	(20,452)
Translation differences	**71,630**	233,867
Other comprehensive income for the year, net of tax	**81,228**	201,729
Total comprehensive income for the year	**688,975**	1,057,317
Total comprehensive income attributable to equity holders of the Company	**688,975**	1,057,317

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Notes	2012 HK$'000	2011 HK$'000
Assets			
Non-current assets			
Property, plant and equipment		**2,266,553**	2,083,104
Investment properties		**1,996,639**	274,220
Land use rights		**903,284**	898,898
Goodwill		**1,284,182**	785,137
Other non-current assets	*9*	**457,828**	352,301
Long-term prepaid rent and rental deposits		**339,632**	244,644
Deferred income tax assets		**159,640**	125,939
		7,407,758	4,764,243
Current assets			
Inventories		**158,772**	144,682
Debtors	*10*	**59,589**	29,685
Prepayments, deposits and other receivables		**552,305**	572,497
Amounts due from fellow subsidiaries		**2,054**	2,251
Fixed deposits		**378,099**	1,205,463
Cash and cash equivalents		**3,242,919**	2,947,574
		4,393,738	4,902,152
Non-current assets classified as assets held for sale		**–**	7,117
		4,393,738	4,909,269
Total assets		**11,801,496**	9,673,512
Equity			
Share capital		**168,615**	168,615
Reserves		**5,666,189**	5,277,352
Proposed dividend		**138,264**	126,461
		5,973,068	5,572,428
Liabilities			
Non-current liabilities			
Long-term borrowings		**998,617**	–
Accruals		**640,100**	564,095
Deferred income tax liabilities		**466,711**	184,304
		2,105,428	748,399

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2012

	Notes	2012 HK$'000	2011 HK$'000
Current liabilities			
Creditors, accruals and other payables	*11*	**3,622,636**	2,979,653
Amounts due to fellow subsidiaries		**4,721**	225,186
Amounts due to related companies		**28,268**	57,156
Current portion of long-term borrowings		**9,098**	–
Tax payable		**58,277**	90,690
		3,723,000	3,352,685
Total liabilities		**5,828,428**	4,101,084
Total equity and liabilities		**11,801,496**	9,673,512
Net current assets		**670,738**	1,556,584
Total assets less current liabilities		**8,078,496**	6,320,827

NOTES

1 Basis of preparation

The consolidated financial statements of the Company for the year ended 30 June 2012 have been prepared in accordance with 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.

The preparation of 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.

In the current year, the Group has adopted the following revised standards, amendments to existing standards and interpretation which are mandatory for the year ended 30 June 2012:

HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First time Adopters
HKFRS 7 (Amendment)	Disclosures – Transfer of Financial Assets
HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC) – Int 14 Amendment	Prepayments of a Minimum Funding Requirement
HKFRSs Amendments	Improvements to HKFRSs 2010

The adoption of these 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 July 2012 or later periods which the Group has not early adopted:

HKFRS 1 (Amendment)	Government Loans
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures
HKFRS 9	Financial Instruments
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurements
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statement, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKAS 1 (Amendment)	Presentation of Items of Other Comprehensive Income
HKAS 19 (Revised 2011)	Employee Benefits
HKAS 27 (Revised 2011)	Separate Financial Statements
HKAS 28 (Revised 2011)	Associates and Joint Ventures
HKAS 32 (Amendment)	Financial instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine
Annual Improvements Project	Annual Improvements 2009-2011 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.

Change in accounting estimate

During the year ended 30 June 2012, a review of useful lives of the leasehold improvements for the department store operations was conducted. With effect from 1 July 2011, the estimated useful lives of certain categories of leasehold improvements have been revised from 10 years to 15 years. This represents a change in accounting estimates and is accounted for prospectively. As a result of this change, the depreciation charge, net of tax thereof, of the Group for the year ended 30 June 2012 has been decreased by approximately HK$35,391,000. Such effect is expected to recur over the remaining lives of the relevant assets.

2 Revenue and segment information

	2012	2011
	HK$'000	*HK$'000*
Commission income from concessionaire sales	**2,405,481**	1,925,920
Sales of goods – direct sales	**676,224**	545,946
Management fees	**19,177**	57,068
Rental income	**389,218**	207,263
	3,490,100	2,736,197

The income from concessionaire sales is analysed as follows:

	2012	2011
	HK$'000	*HK$'000*
Gross revenue from concessionaire sales	**13,009,964**	10,233,298
Commission income from concessionaire sales	**2,405,481**	1,925,920

The chief operating decision-maker ("CODM") has been identified as the board of 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 business. The CODM assesses the performance of the operating segments based on their revenue and operating result. The measurement of segment operating results excludes the effect of changes in fair value of investment properties, gain on disposal of available-for-sale financial assets and unallocated corporate expenses. In addition, finance income, net is not allocated to segments. 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.

2 Revenue and segment information (Continued)

For the year ended 30 June 2012

	Department store *HK$'000*	Property investment *HK$'000*	Consolidated *HK$'000*
Segment revenue	**3,418,263**	**71,837**	**3,490,100**
Segment results	**720,183**	**59,149**	**779,332**
Changes in fair value of investment properties	**–**	**12,092**	**12,092**
Unallocated corporate expenses			**(4,579)**
Operating profit			**786,845**
Finance income			**60,770**
Finance costs			**(35,050)**
Finance income, net			**25,720**
Profit before income tax			**812,565**
Income tax expense			**(204,818)**
Profit for the year			**607,747**
As at 30 June 2012			
Segment assets	**8,981,227**	**2,648,213**	**11,629,440**
Deferred income tax assets			**159,640**
Corporate assets:			
Cash and cash equivalents			**12,361**
Others			**55**
Total assets			**11,801,496**
For the year ended 30 June 2012			
Additions to non-current assets *(Note)*	**705,186**	**2,057,624**	**2,762,810**
Depreciation and amortisation	**293,689**	**79**	**293,768**

2 Revenue and segment information (Continued)

For the year ended 30 June 2011

	Department store *HK$'000*	Property investment *HK$'000*	Consolidated *HK$'000*
Segment revenue	2,732,024	4,173	2,736,197
Segment results	1,019,951	2,634	1,022,585
Changes in fair value of investment properties	–	20,751	20,751
Gain on disposal of available-for-sale financial assets			20,452
Unallocated corporate expenses			(7,034)
Operating profit			1,056,754
Finance income			56,461
Finance costs			–
Finance income, net			56,461
Profit before income tax			1,113,215
Income tax expense			(257,627)
Profit for the year			855,588
As at 30 June 2011			
Segment assets	8,914,277	274,899	9,189,176
Deferred income tax assets			125,939
Corporate assets:			
Cash and cash equivalents			358,276
Others			121
Total assets			9,673,512
For the year ended 30 June 2011			
Additions to non-current assets *(Note)*	1,441,435	36,414	1,477,849
Depreciation and amortisation	282,327	–	282,327

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

3 Other income

	2012	2011
	HK$'000	*HK$'000*
Government grants	**11,564**	14,528
Income from suppliers	**56,533**	55,246
Write-back of other payables	**24,146**	42,332
Sundries	**20,371**	27,094
	112,614	139,200

4 Other gains, net

	2012	2011
	HK$'000	*HK$'000*
(Loss)/gain on disposal of property, plant and equipment and land use rights *(Note (i))*	**(12,796)**	378,075
Gain on disposal of assets held for sale *(Note (ii))*	**47,099**	–
Gain on disposal of available-for-sale financial assets	**–**	20,452
	34,303	398,527

Notes:

(i) For the year ended 30 June 2011, the Group disposed of its interest of a certain portion of property and land use right located in Wuxi City, resulting in a gain on disposal of HK$381,579,000.

(ii) For the year ended 30 June 2012, the amount represented gain on disposal of entire equity interest in Focus Smart Limited, a wholly-owned subsidiary of the Group, which is also the owner of the remaining portion of property and land use right situated in Wuxi City.

5 Other operating expenses, net

	2012	2011
	HK$'000	*HK$'000*
Water and electricity	**199,922**	168,662
Selling, promotion, advertising and related expenses	**123,902**	53,982
Cleaning, repairs and maintenance	**70,045**	52,303
Auditor's remuneration	**5,000**	4,395
Share-based payments	**437**	1,504
Net exchange losses	**17,993**	10,923
Provision/(write-back of provision) for doubtful debts	**607**	(672)
Other tax expenses	**128,463**	62,951
Others	**46,174**	37,298
	592,543	391,346

6 Income tax expense

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

	2012	2011
	HK$'000	*HK$'000*
Current income tax		
– Mainland China taxation	**188,163**	197,539
– Mainland China land appreciation tax	**–**	27,859
(Over)/underprovision in prior years	**(30,883)**	1,558
Deferred income tax		
– Deferred taxation on undistributed dividends	**14,050**	5,530
– Other temporary differences	**33,488**	25,141
	204,818	257,627

Taxation has been provided at the appropriate tax rates prevailing in the tax jurisdictions in which 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 year ended 30 June 2012 (2011: Nil).

Subsidiaries of the Group in Mainland China are subject to enterprise income tax at a rate of 25% (2011: 25%).

Mainland China land appreciation tax is provided at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including costs of land use rights and related business tax paid.

7 Dividends

	2012	2011
	HK$'000	*HK$'000*
Interim dividend paid of HK$0.098 (2011: HK$0.085) per share	**165,242**	143,322
Final dividend proposed of HK$0.082 (2011: HK$0.065) per share	**138,264**	109,599
Special dividend paid of HK$0.010 per share	**–**	16,862
	303,506	269,783

At a meeting held on 25 September 2012, the Directors recommended a final dividend of HK$0.082 (2011: HK$0.065) per share for the year ended 30 June 2012. This proposed dividend was not recognised as dividend payable in the financial statements for the year ended 30 June 2012.

8 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 year.

	2012	2011
Profit attributable to the equity holders of the Company (HK$'000)	**607,747**	855,588
Weighted average number of ordinary shares in issue (shares in thousands)	**1,686,145**	1,686,145
Basic earnings per share (HK$ per share)	**0.36**	0.51

(b) Diluted

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

During the year ended 30 June 2011 and 2012, shares issuable upon exercise of the share options are the only dilutive ordinary shares. There was no potential dilutive effect from the share options.

9 Other non-current assets

Balance as at 30 June 2012 represents the following transaction:

On 4 October 2010, Shenyang New World Department Store Ltd. ("Shenyang Co") entered into an agreement with Shenyang New World Hotel Co., Ltd., a wholly-owned subsidiary of New World China Land Limited and a fellow subsidiary of the Company. Shenyang Co agreed to acquire the building ownership right, land use right of certain exclusive and common-use areas of the building, located in Shenyang City, and right of use of certain areas of the equipment and facility room, the outer wall, the facilities, the electrical and mechanical systems, for a consideration of approximately RMB456,534,000 which is subject to the terms of the agreement for further adjustments. As at 30 June 2012, the Group has made progress payment of approximately HK$435,280,000 (2011: approximately HK$110,008,000) and paid direct costs of approximately HK$22,548,000 (2011: approximately HK$22,277,000) in connection with such acquisition. As at 30 June 2012, capital commitment in relation to this acquisition is approximately HK$101,231,000 (2011: approximately HK$220,016,000).

10 Debtors

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**59,589**	29,685

The Group grants credit terms within 30 days in majority, based on the invoice date.

Aging analysis of the debtors is as follows:

	2012	2011
	HK$'000	*HK$'000*
Within period for		
0-30 days	**57,058**	27,837
31-60 days	**603**	185
61-90 days	**–**	185
Over 90 days	**1,928**	1,478
	59,589	29,685

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

11 Creditors, accruals and other payables

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 date, is as follows:

	2012	2011
	HK$'000	*HK$'000*
Within period for		
0-30 days	**972,955**	803,572
31-60 days	**694,388**	556,777
61-90 days	**194,214**	170,103
Over 90 days	**351,556**	302,164
	2,213,113	1,832,616

Creditors included amounts due to related companies of HK$93,378,000 (30 June 2011: HK$88,050,000) which are unsecured, interest free and repayable within 90 days.

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

12 Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

BUSINESS REVIEW

During the year under review, the Group's revenue increased by 27.6% from HK$2,736.2 million in FY2011 (or "the Previous Year") to HK$3,490.1 million in FY2012 (or "the Current Year"). Profit for the year excluding other gains, changes in fair value of investment properties, the related direct expenses and income tax expenses on disposal of a certain portion of property and land use right at which Wuxi Store was situated, increased by 10.6% from HK$507.4 million in the Previous Year to HK$561.3 million in the Current Year.

Business Network

During the Current Year, the Group operated 39 department stores, with a total gross floor area ("GFA") of about 1,387,670 square meters ("sq.m.") and a total operating floor area ("OFA") of about 1,069,200 sq.m.. Located in three operational regions, namely Northern China, South Eastern China and Central Western China, the stores covered 18 major cities in the PRC, including Wuhan, Shenyang, Harbin, Tianjin, Ningbo, Beijing, Shanghai, Dalian, Kunming, Lanzhou, Changsha, Chongqing, Chengdu, Anshan, Nanjing, Taizhou, Zhengzhou and Mianyang, with 36 self-owned stores and 3 managed stores.

Revenue Contribution

By Region

The Northern China Region contributed the most to the Group's revenue during the year under review, accounting for 48.6% of total revenue, followed by the Central Western China Region and the South Eastern China Region, accounting for 28.3% and 23.1% of total revenue respectively.

By Segment

Commission income from concessionaire sales was the main source of income, accounting for 68.9% of total revenue. Proceeds from direct sales and rental income accounted for 19.4% and 11.1% respectively. Management fee income accounted for 0.6%.

Store Network Development

During the year under review, the Group opened a self-owned store, i.e., Mianyang New World Department Store ("Mianyang Store") in the namesake city and completed the expansion of a self-owned store Shenyang New World Department Store – Jianqiao Road Branch Store ("Shenyang Jianqiao Road Branch Store"). In addition, in November 2011, the Group successfully acquired the property and operating rights of Channel 1 Shopping Mall ("Shanghai Channel 1") in Shanghai Putuo District and renamed it as Shanghai-Hong Kong

New World Department Store-Shaanxi Road Store ("Shanghai Shaanxi Road Store") in June 2012. Lanzhou Store and Beijing Liying Store became our self-owned stores in November 2011 and January 2012 respectively.

As of June 30, 2012, the Group's total GFA was approximately 1,387,670 sq.m., up 8.8% from the same period of the Previous Year. And the total GFA of self-owned stores reached 1,279,970 sq.m., representing an increase of 17.6% over the Previous Year.

Operational Strategy

During the year under review, the Group completed the re-adjustment of its operating structure, dividing its national network into 3 major operational regions with a total of 9 districts under them. The three operational regions include Northern China Region (with Northern District, North Eastern District and North Western District), South Eastern China Region (Shanghai District, Eastern District and Southern District) and Central Western China Region (Central District, Central Southern District and South Western District). The optimization of operating structure not only facilitates the deployment of resources and reduction of regional operating costs, but also helps accelerate localization in operation, so as to provide customers with more considerate products and services and to satisfy their various needs. In future, the Group will strive to implement the expansion strategy effectively under the refined operating structure.

With the launch of the "rebranding program" in September 2009, the Group has categorized stores into "Fashion Galleries" as thematic department stores with a "trendy character", as well as "Living Galleries" as "one-stop" shopping department stores, thus successfully staying afloat in a highly competitive retail market. In future, the Group will continue to improve both its hardware and software facilities, including the upgrading of store decorations, the differentiated development of products and services, as well as the further strengthening of its brand image. Beijing Trendy Store, Lanzhou Store, Chengdu Store, Shanghai Xinning Branch Store, Shanghai Hongkou Branch Store, Shanghai Changning Branch Store, Shanghai Qibao Branch Store, Shanghai Wujiaochang Branch Store and Ningbo Store completed their rebranding exercise during the year under review and are now operating with the brand new images. On the other hand, stores in Nanjing, Dalian, Anshan, Changsha, Chongqing, Kunming and five stores in Wuhan will continue their rebranding exercise according to the scheduled time frame, with the overall program expected to be completed by the end of 2012. As of 30 June 2012, about 67% of the total GFA needed to renovate has been completed.

Nurture Talents to Cope with the Group's Development Needs

In the aspect of nurturing management talents to realize the Group's long-term development plan, we carry through the belief of "Developing Talents with Respect, Care and Trust" in our human resources strategy. During the year under review, the Group implemented the "Core Talents Nurturing Plan", which included appraisal of management skills, rotation internships and other related contents, with the focus on training senior managers. The Group also worked with Shanghai Jiao Tong University to offer the "Certificate Programme of Further Studies in Retail Operation and Management" for middle-level managers, in order to nurture operational talents. In addition, the Group organized staff visits to famous department stores abroad on several occasions, so that the participants could learn from and have fruitful exchanges with their foreign counterparts in terms of advanced concepts and practices in merchandising, operations and services.

Stay on Top of Consumer Trends and Optimize Brand Portfolio

In the aspect of merchandise strategy, as a trend-setter in the department store industry, the Group keeps launching new products and services according to customer's tastes. Thanks to the "Market Brand List", "Presentation of New Products", "Supplier Development" and other relevant reports, the Group has a better understanding of market trends and brand developments. Also, the Group develops a powerful mix of competitive merchandises procured from both domestic and international markets. In addition, by virtue of its fashion sense and understanding of the consumer market, the Group established a subsidiary in 2011 to develop high-quality but affordable products of its own brand, so as to differentiate the categories and to provide customers with more product choices.

Build Interactive and Long-term Cooperation with Suppliers

In order to guarantee the quality of products and services and to lay a solid foundation for strategic cooperation with concessionaires and suppliers in future, during the year under review, the Group optimized the "Top 50/150 Brand Retainer Scheme" and the "Strategic Partnership Program", with the focus on the maintenance and cultivation of "category killers". The Group also set up new posts of brand manager to enhance the effectiveness of sales. Besides, the Group promoted its exchanges and communications with suppliers by establishing the "New World Net" platform as well as organizing various seminars and workshops, creating bilateral values and fostering closer cooperation in a long run. On the other hand, the Group adopts diversified business models, including concessionaire sales, direct sales and lease, providing itself with a stable source of revenue. During the year under review, the Group developed partnership with a number of tenants, which successfully expanded the operating area and attracted new customers, thus making contribution to the Group's rental income.

Boost Sales Revenue with Creative Marketing Campaigns together with Promotion Combo

In the aspect of marketing strategy, to further expand its clientele and to accelerate business growth, the Group focuses on "cross-industry cooperation", "signature events" and "topic-based activities for youths", so as to strengthen the Group's image as a thematic department store. To be specific, the Group carries on the “Four in One” marketing strategy in implementation. In other words, we integrate sales promotion, public relation, marketing and VIP club activities in planning, making those initiatives more topic-focused and more interesting, so as to attract young customers who are keen on surprises and to boost the number of visits and the amount of spending by existing customers.

Through introducing popular programs from around the world in collaboration with famous enterprises in other sectors both domestically and internationally, the Group further expands the market by leveraging the clientele through cross-industry cooperation. For example, the Group worked with the Bank of Communications to issue co-branded credit cards, and co-organized promotional activities with financial institutions such as the Bank of Ningbo, the Bank of Communications, Ping An Bank and China UnionPay. Catering to the enthusiasm of English learning in China, the Group joined hands with Wall Street Institute to hold several lectures and to provide multiple concessions for VIP club members. And for the first time in its history, the Group organized the “Super Stars’ Memorable Collections Exhibition” in September and October 2011 in cooperation with Ponte 16 Resort, Macau and Julien’s Auctions, displaying over 100 precious items of international superstars at its stores. The marketing cooperation with Hong Kong Ocean Park in 2012 also received extensive public praise. All the said events, together with promotional activities during the same periods, attracted a large number of customers, boosting both store visits and sales revenue. In view of the precedent success, the Group will continue to actively promote cross-industry cooperation in future.

It is an important marketing strategy of the Group to carry out NWDS signature events. To be specific, we launch innovative signature events on a regular basis during non-festival periods and combine them with diversified promotions so as to achieve sales targets. During the year under review, our stores organized a series of promotions and special offers filled with surprises and innovations, such as discount upgrades within time limits and excellent prizes upon required spending amounts, in line with the three themes of “Non-stop Mega Sales”, “Stamp Redemption Program” and “ VIP Day”. Among them, the “Non-stop Mega Sales” initiative, being the first of its kind in the industry, not only doubled and redoubled store traffic and sales revenue, but also successful drew a lot of media attention, thus establishing the Group’s image as a “pioneer” in the industry.

The Group also strengthens its efforts in organizing activities with interactive and fascinating topics so as to further attract well-off youths to become the Group’s consumers as early as possible. In view of the wide enthusiasm of youths to find their other halves, the Group organized “Speed Dating” activities at Beijing Shishang Store, Changsha Trendy Plaza and Zhengzhou Store not long ago, successfully bringing dozens of young couples together. The Group also actively promotes “Celebrity Activities”, in which well-known singers and performers are invited to the stores in order to enhance store popularity and attract customers.

Recruit Younger VIPs and Optimize Member Services

In the aspect of VIP members, the Group strives to optimize its VIP membership in order to attract more young members as well as to enhance the contributions and loyalty of VIP members. During the year under review, the Group launched the NWDS VIP Card without spending threshold targeting young consumers. It also especially held the "7 Moods of a Week-NWDS VIP Card Design Competition", receiving more than 2,000 entries which were voted by nearly 60,000 persons both online and offline. The stores also worked together for campus recruitment. As of the fiscal year ended 30 June 2012, the Group has recruited over 68,000 new members of the NWDS VIP Card in campus.

To enhance VIP member loyalty and a sense of belonging, the Group has especially set up several VIP clubs with tailor-made activities for the members. During the year under review, the Group added a new "Crystal High Heels Club" for shoe lovers, on top of the three existing clubs, i.e., the "Smart Lady Club" for white collars, the "Perfect House Wife Club" for mothers and the "Platinum VIP Club" exclusively for VIPs with the Platinum Card. With the establishment of the new club, we not only managed to diversify the forms of member activities, but also effectively increased the number of store visits and the amount of spending by organizing a series of shoes-related activities, such as "Shoes Grabbing Day" and "Foot Care Day".

During the year under review, the Group upgraded its VIP system to introduce a number of convenient services, such as automatic card upgrade or downgrade, introduction of supplementary cards and card-free bonus point earnings. In addition, the Group launched the exclusive "NWDS VIP Website" in March 2012, so that VIP members can easily conduct card-related operation and inquiries online.

Reinforce Collaboration with the Group's Affiliates to Maximize Resource Sharing

To increase the number of VIP members and to enhance resource sharing with the affiliates, the Group worked with New World China Land, Chow Tai Fook, K11, New World Hotel and other subsidiaries of the New World Group to hold a number of promotional activities, such as the "NWDS-CTF Wedding Carnival" at Shenyang Zhonghua Road Branch Store and the tour event of "Home-purchasing Benefits for VIP Members 2012" at 15 stores. We can share the benefits from members and achieve win-win results by attracting customers to stores and stimulating their spending via resources of the affiliates.

Launch Mobile Apps to Build a One-stop Interactive and Promotions Platform

The Group has always been using diversified social entertainment websites, videos, mini-blogs and mobile platforms extensively for promotional and marketing purposes. During the year under review, for example, Shanghai-Hong Kong New World Department Store launched a mobile app for "Non-stop Mega Sales", so that customers could be kept posted on the latest sales information and special offers. The Group also plans to launch a NWDS comprehensive mobile app by the end of 2012, which will serve as a personalized platform for users to receive the latest shopping tips, trend developments and event information from our stores in a real-time manner, and to improve customer's shopping experience through online-offline interactions.

Expansion Strategy

The Group develops comprehensive strategies for business expansion in an active and prudent manner, with appropriate adjustments according to the policy tendency of the government, economic development in respective regions and the operating conditions of the stores. Going forward, we expect the total GFA of our self-owned stores to exceed two million sq.m. in FY2016, riding on the state policies to further expand domestic consumption as well as the increasing purchasing power in second-and third-tier cities.

The Group will continue the two expansion strategies of "multiple presences within a single city" and "radiation city". On the one hand, we will look for potential projects in five major cities, namely Beijing, Shanghai, Wuhan, Shenyang and Chengdu as footholds, so as to enhance our competitive edge. On the other hand, we will gradually expand our business from core cities to surrounding second-and third-tier cities with great potential such as Changchun, Guiyang, Baotou, Leshan and Xiangyang.

As for the expansion methodology, the Group will continue to expand its business network in China in a multi-pronged manner, i.e., establishing new stores, acquiring existing managed stores and promising department stores, expanding existing stores, adding managed projects, etc. Upon prudent evaluation of market demand and development potential, the Group has initially confirmed expansion projects for the coming years, including the projects in Yancheng and Xi'an to open in FY2013, as well as those in Yantai, Hengyang and Shanghai to commence operation in FY2014 and FY2015. The related deployment and preparation tasks are already underway. The Group will set up a "Living Gallery" with a GFA of 54,000 sq.m. in Yancheng, the largest city in terms of area in Jiangsu Province, and another one with a GFA of 58,500 sq.m. in Xi'an, the capital and the wealthiest city in Shaanxi Province. The latter one will play a strategic role in the Group's expansion initiatives in North Western China. In order to expand its presence in the market, the Group will also establish a self-owned store with a GFA of 55,000 sq.m. in Yantai, the third largest city in Shandong Province. Based on the existing Changsha Store, the Group will open a new self-owned store with a GFA of 42,200 sq.m. in Hengyang, Hunan Province. In addition, the Shanghai 118 Store in Shanghai Putuo District is expected to commence operation in FY2015, with a GFA of 62,600 sq.m.

In addition to new store opening, the Group will continue its close cooperation with local government agencies and industry organisations to identify and acquire department store projects with good potential, for rapid expansion of its market shares. During the year under review, the Group acquired Shanghai Channel 1 in Shanghai Putuo District, which was already renamed as Shanghai Shaanxi Road Store, and also converted Lanzhou Store and Beijing Liying Store from managed projects to self-owned ones via acquisition.

Moreover, the Group strives to expand its existing stores so as to provide consumers with a more comfortable shopping environment. During the year under review, Phase II of Shenyang Jinqiao Road Branch Store was completed with its total GFA doubled to 68,000 sq.m. It has become a hot spot for one-stop shopping thanks to its diversified products and services. The Group also plans to expand Shenyang Nanjing Street Branch Store into Phase II and it is expected to commence operation in FY2014.

In view of managed store business, the Group actively negotiates managed store projects with good potential, so as to speed up its expansion in both existing and emerging markets. The Group will open new managed stores in Ningbo, Yanjiao and Yantai in FY2013 and FY2014 respectively, with a total GFA of 138,000 sq.m. Managed projects not only help the Group further expand its business network, but also provide a stable source of management fee income.

OUTLOOK

China's overall economy growth slowed down in 2012 due to the decelerated growth of both exports and investments. According to China's National Bureau of Statistics, total retail sales of consumer goods reached RMB9,822.2 billion for the first half of 2012, grew 14.4% yoy. On the other hand, the growth in the domestic retail sector was undermined because of the great impacts on the sales of home appliances, household items and other consumer goods resulting from the government's strengthened macro-economic control on the real estate industry. However, China has announced new policies to boost the domestic consumption in the "12th Five-Year Plan", and has started implementing a number of welfare initiatives since last year, such as lowering individual income taxes and reducing medical costs. All those measures have unleashed the purchasing power of urban residents and provided a strong support for the development of the domestic retail and department store industry.

Although the Chinese market is still likely to be affected by uncertainties such as economic slowdown and inflation, the fundamental policies of maintaining a rapid economic growth and continuously expanding domestic consumption remain unchanged. Moreover, the market expects more economic stimulus from the government in the second half of 2012, which will not only benefit the steady development of the domestic retail sector, but also lay a good foundation for the Group's expansion in second-and third-tier cities. Therefore, the Group is cautiously optimistic about the future business development.

In view of the slowdown in macroeconomic growth during the year under review, the Group actively carried out renovations in operations, merchandise portfolio and marketing, so as to be well-prepared to stand out in the market. Those initiatives included expediting the implementation of rebranding, upgrading the facilities and decorations of stores, optimizing merchandise mix and services, organizing attractive marketing activities and strengthening VIP membership, which successfully enabled the Group to maintain a competitive edge in the industry. In future, the Group will continue the comprehensive development plan and implement the two expansion strategies of "multiple presences within a single city" and "radiation city", so as to accelerate the opening of new stores, to increase market shares and to reduce operational risks. Thus the Group is well-positioned to cement and maintain its leading position in the department store sector in China.

FINANCIAL REVIEW

Revenue

Revenue of the Group was HK$3,490.1 million in FY2012 representing an increase of 27.6% from HK$2,736.2 million in FY2011. The growth was primarily contributed from commission from concessionaire sales, sales of goods for direct sales and rental income.

Gross sales revenue, comprising gross revenue from concessionaire sales, sales of goods for direct sales, management fee income, rental income and other income increased by 27.0% to HK$14,207.2 million in FY2012 from HK$11,182.8 million in FY2011. Gross revenue from concessionaire sales increased to HK$13,010.0 million from HK$10,233.3 million in the Previous Year. Commission income rate was slightly declined from 18.8% in the Previous Year to 18.5% in the Current Year was primarily due to the lower commission rate recorded by newly opened stores and the sales growth for jewellery and gold products with lower commission rate. Sales of goods for direct sales was HK$676.2 million in FY2012 compared with HK$545.9 million in FY2011. Direct sales turnover mainly comprised of groceries, housewares and perishables (approximately 48.1%), cosmetic products (approximately 41.4%), accessories, handbags and underwears (approximately 4.9%), ladieswear and menswear (approximately 4.8%). Gross margin of direct sales was 15.5% compared to 17.8% in the Previous Year. The decrease was mainly due to the lower merchandise gross margin from the supermarkets of the newly acquired stores in the Current Year. In

FY2012, ladieswear and accessories made up approximately 61.4% of gross revenue from concessionaire sales and sales of goods for direct sales. Menswear and accessories made up approximately 20.4% and sportswear, bread and snacks, electrical appliances, kidswear and personal care products largely made up the rest.

Management fees was HK$19.2 million in FY2012 showing a decrease from HK$57.1 million in FY2011. The decrease was primarily due to the conversion of Beijing Store, Chengdu Store, Changsha Trendy Plaza, Beijing Trendy Store, Chongqing Store, Lanzhou Store and Beijing Liying Store in August, October and December 2010, March, April, November 2011 and January 2012 respectively, as compared with several months contribution from Beijing Store, Chengdu Store, Changsha Trendy Plaza, Beijing Trendy Store, Chongqing Store and a full-year contribution from Lanzhou Store and Beijing Liying Store in the Previous Year.

Rental income increased by 87.7% to HK$389.2 million in FY2012 mainly due to increased leasing area from firstly, recognising a full-year operation of Beijing Store, Chengdu Store, Changsha Trendy Plaza, Beijing Trendy Store and Chongqing Store acquired in August, October and December 2010, March and April 2011 respectively, and Beijing Qianzi Store, Zhengzhou Store and Shenyang Jianqiao Road Branch Store opened in September 2010, April and May 2011 respectively; secondly, the completed acquisition of Shanghai Shaanxi Road Store in November 2011; thirdly, the conversion of Lanzhou Store and Beijing Liying Store from managed stores to self-owned stores in November 2011 and January 2012 respectively; and fourthly, the opening of newly self-owned Mianyang Store in December 2011.

Other income

Other income of the Group was decreased from HK$139.2 million in FY2011 to HK$112.6 million in FY2012. The decrease was mainly due to the decrease of write-back of other payables in the course of operation in FY2012.

Other gains, net

Other gains, net of the Group was HK$34.3 million in the Current Year compared with HK$398.5 million in the Previous Year. The decrease was primarily because other gains in the Previous Year comprised a gain of HK$381.6 million on disposal of a certain portion of property and land use rights situated in Wuxi City.

Changes in fair value of investment properties

Changes in fair value of investment properties in the Current Year was HK$12.1 million related to properties located in Shanghai city and Zhengzhou 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 increased by 27.3% to HK$571.2 million in FY2012 from HK$448.8 million in FY2011. The percentage of increase was approximately in line with the increase in sales of goods for direct sales.

Employee benefit expense

Employee benefit expense increased to HK$541.6 million in FY2012 from HK$411.3 million in FY2011. 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-year operation of Beijing Store, Chengdu Store, Changsha Trendy Plaza, Beijing Trendy Store, Chongqing Store, Beijing Qianzi Store, Zhengzhou Store, Shenyang Jianqiao Road Branch Store acquired or opened in FY2011, the newly acquired Lanzhou Store and Shanghai Shaanxi Road Store and Beijing Liying Store in November 2011 and January 2012 respectively, the newly opened Mianyang Store in December 2011 and the expansion of Shenyang Jianqiao Road Branch Store in April 2012.

Depreciation and amortisation

Depreciation and amortisation expense increased from HK$282.3 million in FY2011 to HK$293.8 million in FY2012. This was primarily due to recognising a full-year operation of Beijing Store, Chengdu Store, Changsha Trendy Plaza, Beijing Trendy Store, Chongqing Store, Beijing Qianzi Store, Zhengzhou Store, Shenyang Jianqiao Road Branch Store acquired or opened in FY2011, the conversion of Lanzhou Store and Beijing Liying Store from managed stores to self-owned stores in November 2011 and January 2012 respectively, the newly opened Mianyang Store in December 2011 and the expansion of Shenyang Jianqiao Road Branch Store in April 2012.

Operating lease rental expense

Operating lease rental expense increased to HK$863.1 million in FY2012 from HK$704.1 million in FY2011, primarily due to recognising a full-year operation of Beijing Store, Chengdu Store, Changsha Trendy Plaza, Beijing Trendy Store and Chongqing Store acquired in August, October and December 2010, March and April 2011 respectively and Beijing Qianzi Store opened in September 2010. In addition, the newly opened Mianyang Store in December 2011, the expansion of Shenyang Jianqiao Road Branch Store in April 2012, the conversion of Lanzhou Store in November 2011 and Beijing Liying Store from managed stores to self-owned stores in January 2012 also contributed to the increase of operating lease rental expense in the Current Year.

Other operating expenses, net

Other operating expenses increased to HK$592.5 million in FY2012 from HK$391.3 million in FY2011. The increase in other operating expenses was a result of recognising a full-year operation of Beijing Store, Chengdu Store, Changsha Trendy Plaza, Beijing Trendy Store, Chongqing Store, Beijing Qianzi Store, Zhengzhou Store, Shenyang Jianqiao Road Branch Store acquired or opened in FY2011. Moreover, the increase was also due to the newly acquired Lanzhou Store and Shanghai Shaanxi Road Store in November 2011 and Beijing Liying Store in January 2012, the newly opened Mianyang Store in December 2011 and the expansion of Shenyang Jianqiao Road Branch Store in April 2012.

Operating profit

Operating profit was HK$786.8 million in FY2012 compared with HK$1,056.8 million of FY2011. Operating profit, excluding other gains, changes in fair value of investment properties and the related direct expenses on disposal of a certain portion of property and land use right at which Wuxi Store was situated in total of HK$46.4 million in FY2012 (FY2011: HK$410.8 million), increased by approximately 14.6% to HK$740.4 million from HK$646.0 million of the Previous Year.

Income tax expense

Income tax expense of the Group was HK$204.8 million in FY2012. In FY2011, income tax expense of HK$257.6 million included an income tax expense of HK$62.6 million on the disposal of a certain portion of property and land use rights at which Wuxi Store was situated. The effective tax rate of the Group in FY2012 was 25.2%.

Profit for the year

As a result of the reasons mentioned above, profit for the year was HK$607.7 million compared with HK$855.6 million in the Previous Year. Profit for the year, excluding other gains, changes in fair value of investment properties, the related direct expenses and income tax expenses on disposal of a certain portion of property and land use right at which Wuxi Store was situated in total of HK$46.4 million in FY2012 (FY2011: HK$348.2 million), increased by 10.6% to HK$561.3 million from HK$507.4 million of the Previous Year.

Liquidity and financial resources

Cash and fixed deposits of the Group amounted to HK$3,621.0 million as at 30 June 2012 (30 June 2011: HK$4,153.0 million).

The Group's borrowings from banks as at 30 June 2012 was HK$1,007.7 million (30 June 2011: Nil) of which HK$682.9 million was secured by pledge of assets.

The capital commitment of the Group as at 30 June 2012 were HK$122.5 million, of which HK$119.8 million were contracted but not provided for in the statement of financial position. For the contractual payment of HK$119.8 million, approximately HK$101.2 million was related to the acquisition of building ownership right, land use right and right of use of the equipment and facility room, the outer wall, the facilities, the electrical and mechanical systems for certain exclusive and common-use areas of a building, located in Shenyang City.

Pledge of assets

As at 30 June 2012, investment properties of HK$1,792.7 million of the Group were pledged as securities for bank borrowings of HK$682.9 million.

Treasury policies

The Group mainly operates in Mainland China with most of the transactions denominated in Renminbi. 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 30 June 2012.

FINAL DIVIDEND

The Directors have resolved to recommend a final dividend of HK$0.082 per share (2011: HK$0.065 per share and a special dividend of HK$0.010 per share) for the year ended 30 June 2012 to shareholders whose names appear in the register of members of the Company on 29 November 2012. It is expected that the proposed final dividend will be paid on or about 28 December 2012 subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 20 November 2012.

EMPLOYEES, REMUNERATION POLICY AND PENSION SCHEME

As at 30 June 2012, total number of employees for the Group was 6,783 (2011: 6,434). 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, unemployment, work related injury and maternity insurance. Such arrangements are in compliance with relevant laws and regulations.

ACQUISITION AND DISPOSAL

On 5 July 2011, Skybird International Limited ("Skybird"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party to dispose of its entire equity interest in Focus Smart Limited, a wholly-owned subsidiary of Skybird, which is also the owner of a portion of the property and land use rights situated in Wuxi City, for a consideration of RMB45.0 million. The transaction was completed on 22 September 2011.

On 21 September 2011, Skybird entered into a sale and purchase agreement with independent third parties to acquire 100% of the equity interest in Moral High Limited ("Moral High"), a limited liability company incorporated in Samoa, for an aggregate consideration of RMB1,460.0 million, which is subject to the deductions and adjustments based on the terms and conditions of the agreement. The principal activity of Moral High is the investment holding of 100% equity interest in Peak Moral High Commercial Development (Shanghai) Company Limited ("Peak"), a limited liability company established in the PRC. Peak is a property owner and operator of a shopping mall in Shanghai. The acquisition was completed on 17 November 2011.

In November 2011, the Group acquired 100% of the equity interest in Lanzhou New World Department Store Co., Ltd. ("Lanzhou Co.") for a consideration of RMB3.5 million from independent third parties. Lanzhou Co. is a limited liability company incorporated in the PRC and is engaged in operations of a department store in Lanzhou.

In January 2012, the Group acquired 100% of the equity interest in Beijing New World Liying Department Store Co., Ltd. ("Beijing Liying Co.") for a consideration of RMB5.0 million from independent third parties. Beijing Liying Co. is a limited liability company incorporated in the PRC and is engaged in operations of a department store in Beijing.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company had not redeemed any of its listed securities during the year. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities during the year.

CORPORATE GOVERNANCE CODE

During the year ended 30 June 2012, the Company has applied and complied with all the code provisions set out in the Code on Corporate Governance Practices with effect until 31 March 2012 and the Corporate Governance Code with effect from 1 April 2012 respectively contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") (collectively the "Code") except for the deviation from code provision A.6.7. of the Code in that a non-executive Director was unable to attend an extraordinary general meeting of the Company due to an important meeting overseas.

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 2012.

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 and internal controls. The Audit Committee consists of the four independent non-executive Directors. The Audit Committee has reviewed the systems of internal control and the annual results and the financial statements for the year ended 30 June 2012 and discussed the financial related matters with management.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 19 November 2012 to Tuesday, 20 November 2012, 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 office of the Company in Hong Kong, Tricor Investor Services Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 pm on Friday, 16 November 2012.

The register of members of the Company will be closed from Tuesday, 27 November 2012 to Thursday, 29 November 2012, both days inclusive, during which period no transfer of share of the Company will be registered. In order to establish entitlements to the proposed final 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 office of the Company in Hong Kong, Tricor Investor Services Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 pm on Monday, 26 November 2012.

For and on behalf of the board of
New World Department Store China Limited
Dr. Cheng Kar-shun, Henry
Chairman and Non-executive Director

Hong Kong, 25 September 2012

As at the date of this announcement, the non-executive Directors are Dr. Cheng Kar-shun, Henry and Mr. Au Tak-cheong; the executive Directors are Mr. Cheng Chi-kong, Adrian, Mr. Cheung Fai-yet, Philip, Mr. Wong Kwok-kan, Kenneth and Ms. Ngan Man-ying, Lynda; and the independent non-executive Directors are Mr. Cheong Ying-chew, Henry, Mr. Chan Yiu-tong, Ivan, Mr. Tong Hang-chan, Peter and Mr. Yu Chun-fai.