

FY19 Interim Results Presentation

For the six months ended 31 December 2018

26 February 2019



Safe Harbour Statement

The information contained in our presentation is intended solely for your personal reference. In addition, such information contains projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on assumptions subject to various risks. No assurance can be given that future events will occur, that projections will be achieved, or that the Company's assumptions are correct. Actual results may differ materially from those projected.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

Agenda

- Financial Highlights
- Operational Highlights
- Retail Network
- Future Strategies

Financial Highlights



Summary for 1HFY19

Same-store Sales Growth

- SSSG for 1HFY19 was -8.3%, SSSG for 1HFY18 was 2.0%

Revenue

- Revenue for 1HFY19 was HK\$1,809.9 million compared with HK\$1,873.3 million in 1HFY18

Operating Profit

- Operating profit for 1HFY19 increased to HK\$192.5 million from HK\$174.4 million in 1HFY18

Profit for the Period

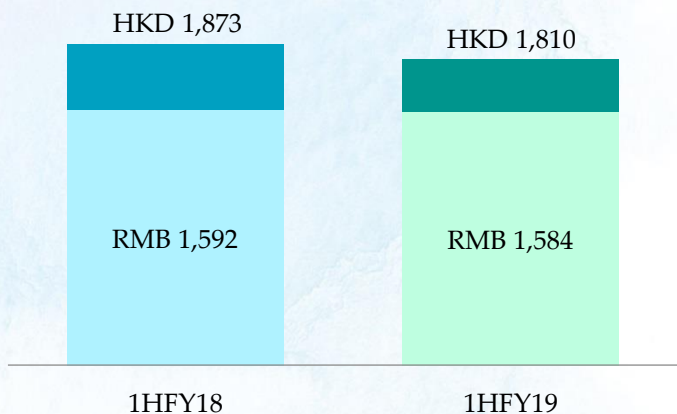
- Profit for the period decreased to HK\$89.7 million from HK\$103.0 million in 1HFY18

Earnings per Share

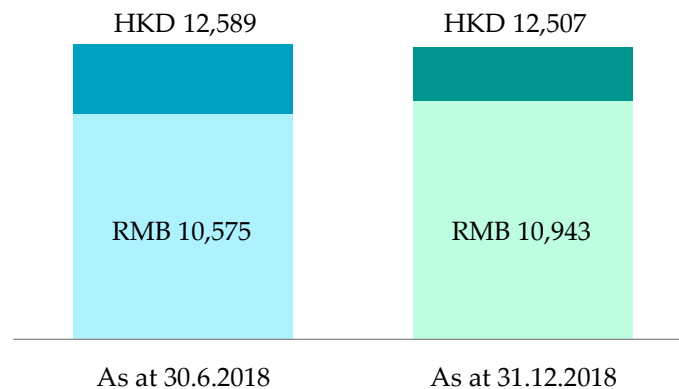
- Earnings per share for 1HFY19 was HK\$0.05

Financial Highlights (HKD/RMB mn)

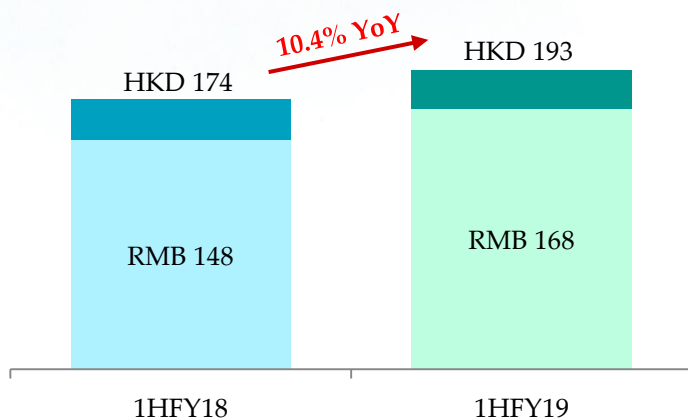
Revenue



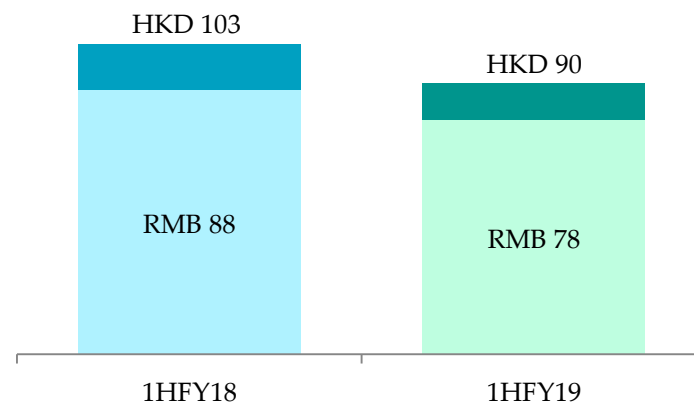
Total Assets



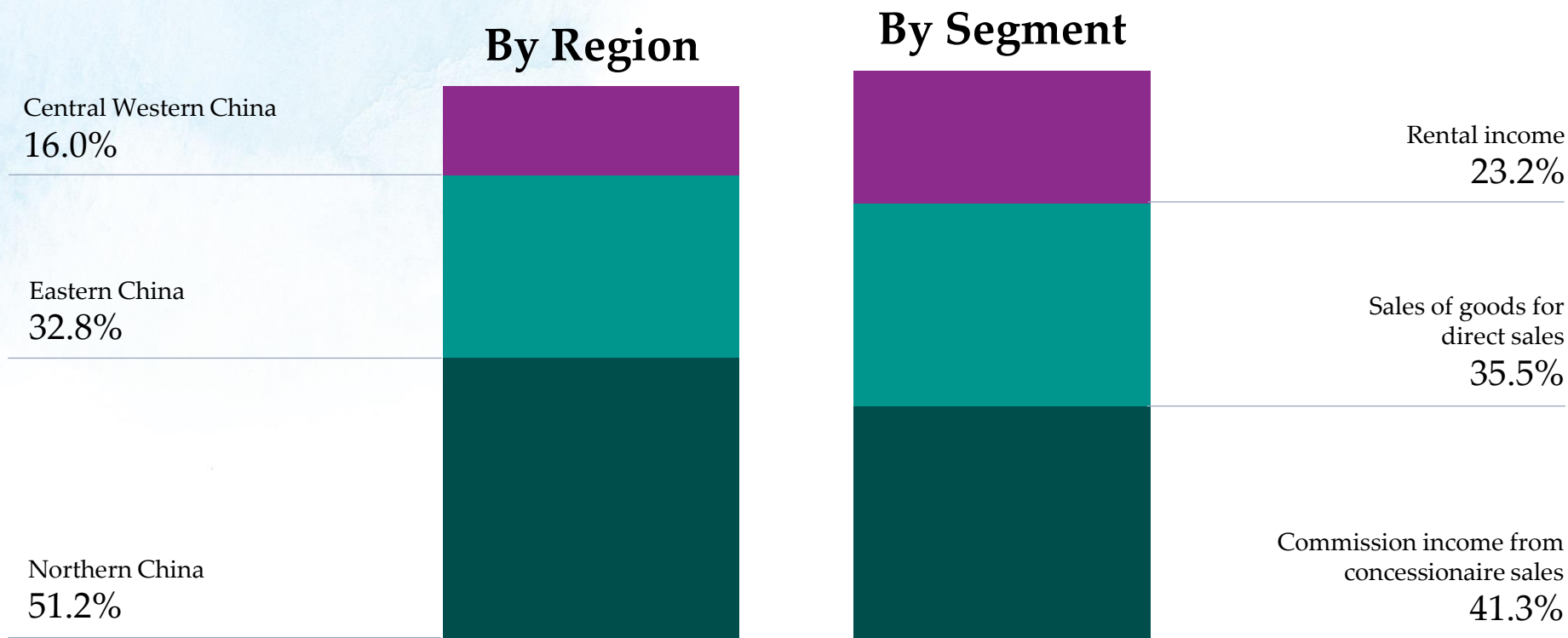
EBIT



Net Profit

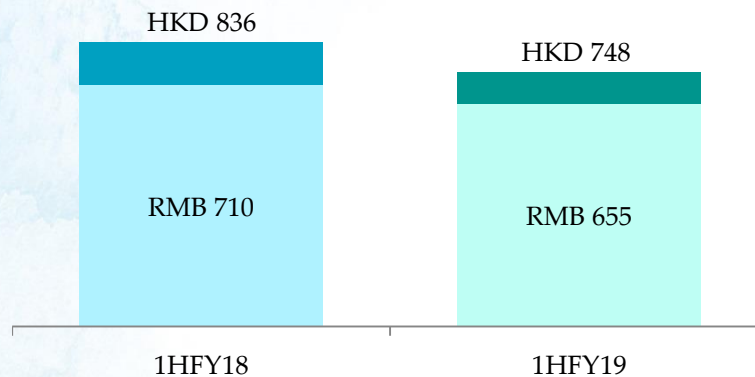


Revenue Breakdown

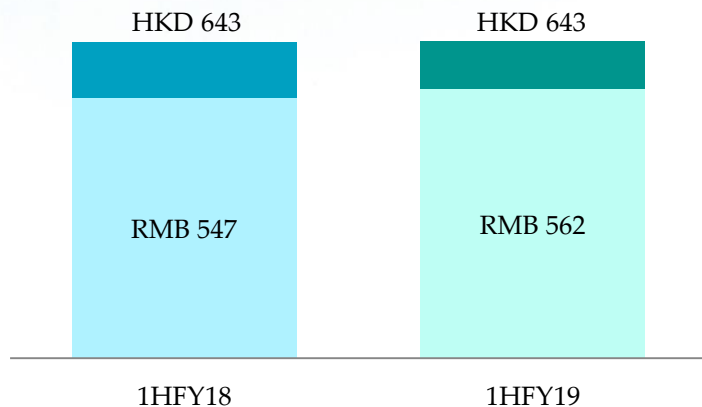


Revenue Analysis *(HKD/RMB mn)*

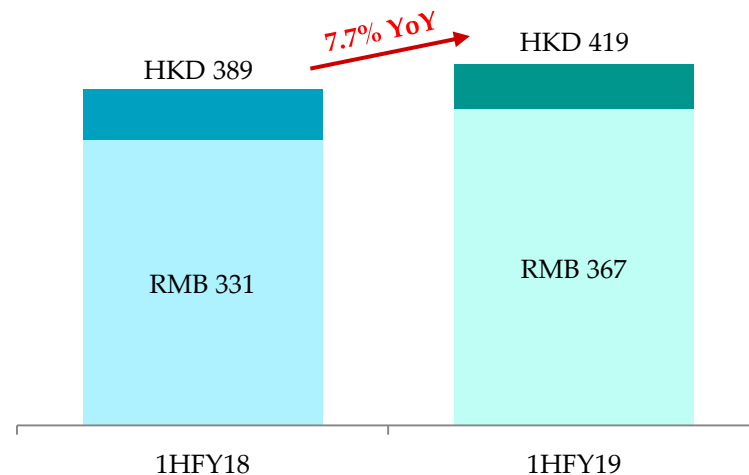
Commission Income from Concessionaire Sales



Sales of Goods for Direct Sales

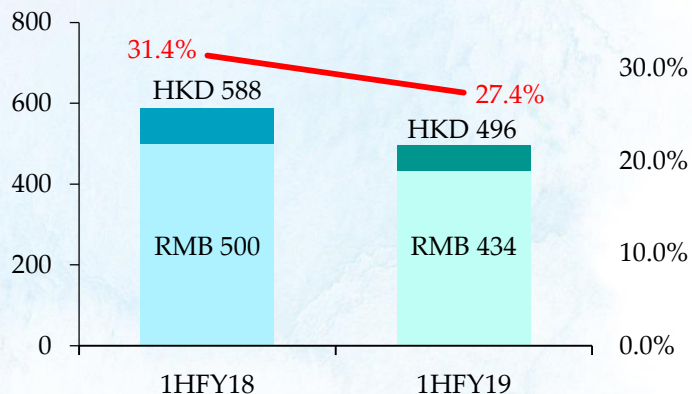


Rental Income

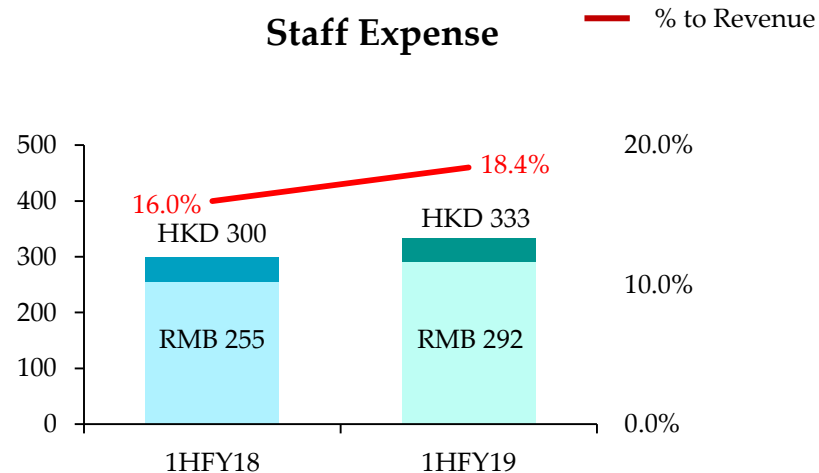


Expense Ratios (HKD/RMB mn)

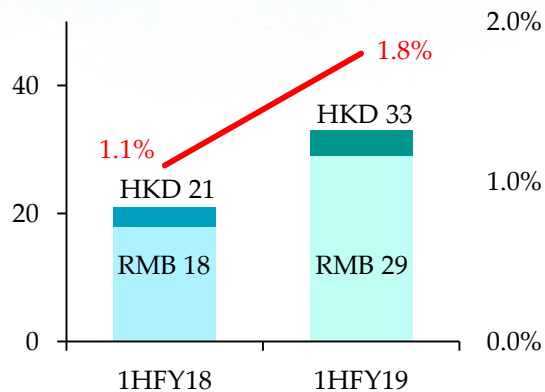
Rental Expense



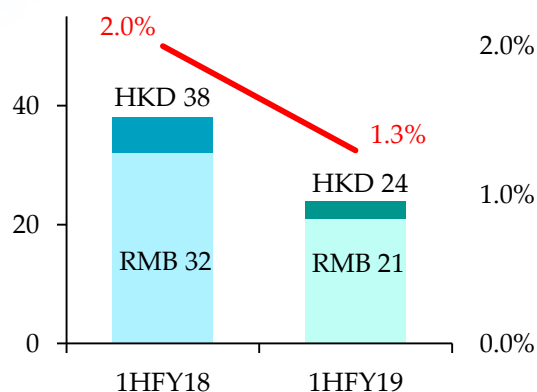
Staff Expense



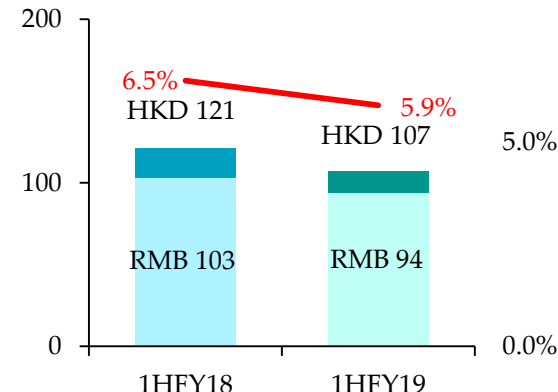
Promotion, Advertising & Related Expenses



Water & Electricity Expenses



Depreciation & Amortisation



Operational Highlights



Fortifying New Store Image



Shanghai Huaihai Branch Store

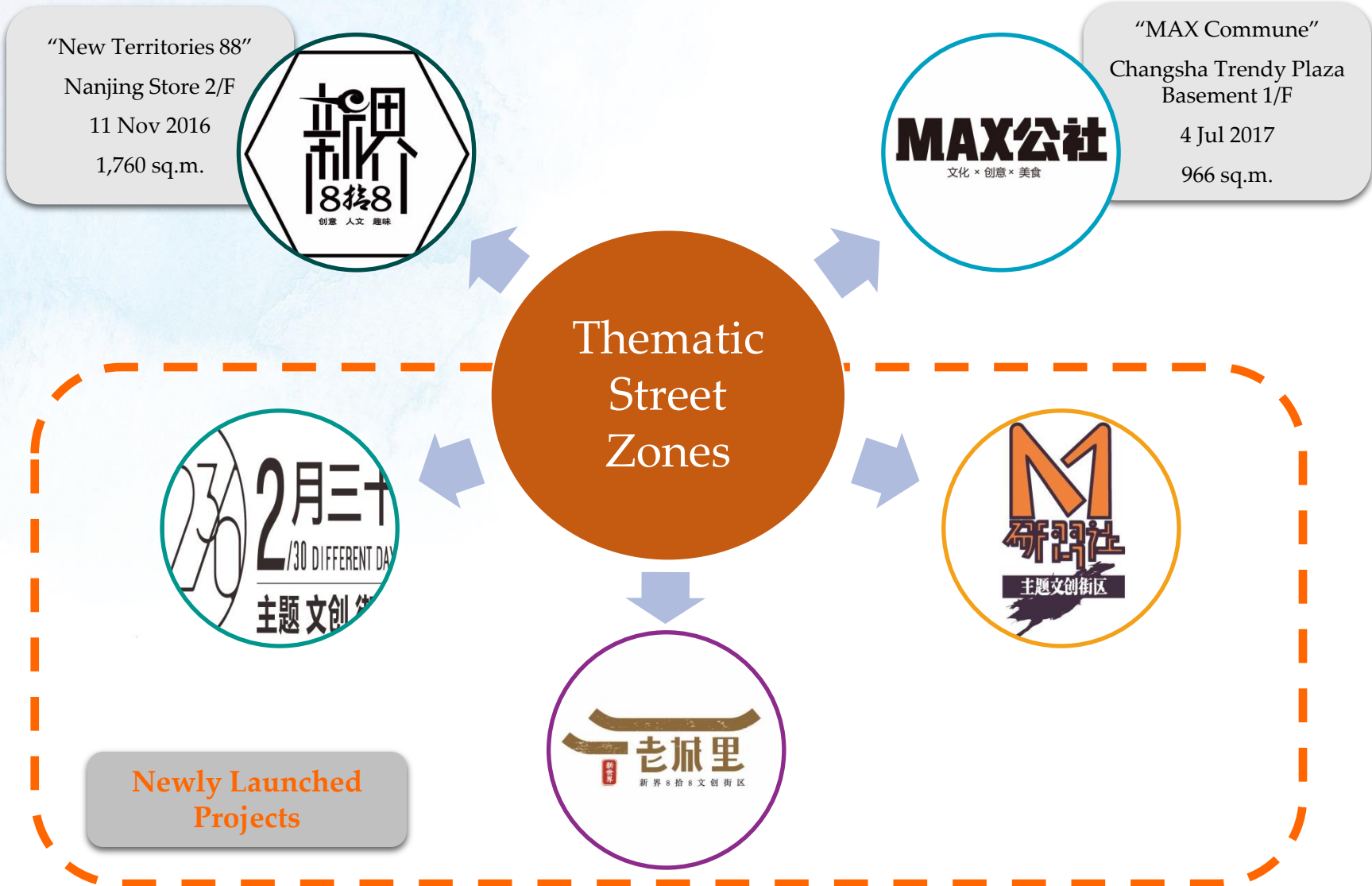


Chengdu Store



Chongqing Store

Crafting In-store Ambience



Crafting In-store Ambience

“2/30 Different Day” Zhengzhou Store (2/F)



- Launched on 16 Nov 2018, with a GFA of 2,494 sq.m.
- Embodies an array of fun and interactive elements to attract young consumers and cater for their social needs
- Approx. 53.0% of the GFA is dedicated to F&B options

“Old City Town” Tianjin Store (4/F)



- Launched on 18 Nov 2018, with a GFA of 2,047 sq.m.
- Recreates the architectural styles and cultural features of the old town of Tianjin city
- Approx. 45.8% of the GFA is dedicated to F&B options

“M Institute” Wuhan Wuchang Branch Store (4/F)



- Launched on 24 Dec 2018, with a GFA of 4,287 sq.m.
- Brings in all sorts of cultural, creative and artistic elements to guide student customers to discover one true self
- Approx. 46.0% of the GFA is dedicated to complementary facilities and experiential projects

Enhancing In-store Lifestyle Experiences

Rental Business

- Strengthened the diversity and functionality of in-store business composition, introducing mainstream brands timely to meet consumption demands
- Addition of F&B outlets, entertainment experiences and complementary facilities helped stimulate foot traffic
- Enhanced customers' in-store experience with rental business accounted for about 36.4% of total operating area



Optimising N+ Line-up



N+ Convenience Store

- First store landed in Beijing Store in Nov 2017; and second store set up in Beijing Trendy Store in Nov 2018
- Targets office workers and offers breakfast and fast food options, snacks, bottled drinks and fresh food products



N+ Quality Goods

- Landed in Beijing Store in Apr 2018, targeting female customers aged 18 to 35
- Offers a wide variety of quality household goods and decorative pieces
- Set up its WeChat official account in 1HFY19



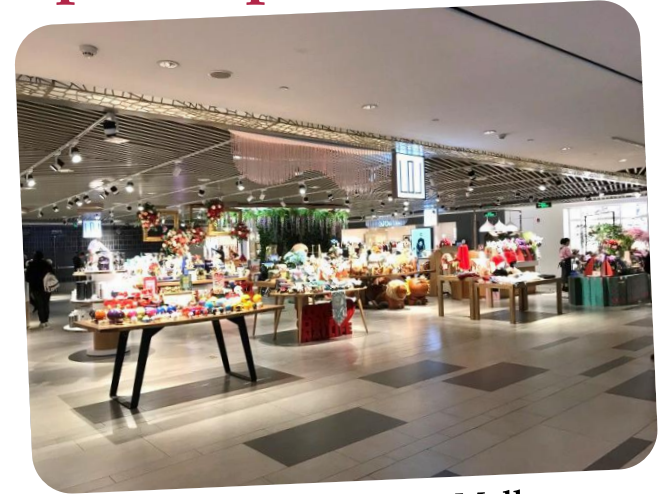
N+ Baby

- Mother-and-baby themed supermarket landed in Beijing Store in Dec 2017
- 41.0% merchandise imported from Japan, Korea, Europe and the U.S.
- 20.0% in-store space set aside for value-added services e.g. children's play area, day care, etc.

Gaining Footholds for LOL

LOL (Love · Original · Life) Concept Shop

- Developed solid vertical operating capabilities after 5 years of operations
- Categorised management of black, gold and silver label stores and targeted marketing yielded positive results
- Actively expanded outside of NWDS' store network with 6 outlets opened in K11 Art Malls in Shanghai, Wuhan and Shenyang; Shanghai Joy City; Life Hub @ Jinqiao, Shanghai; and Chongqing IF Plaza
- 17 stores as at 31 Dec 2018



Shanghai K11 Art Mall

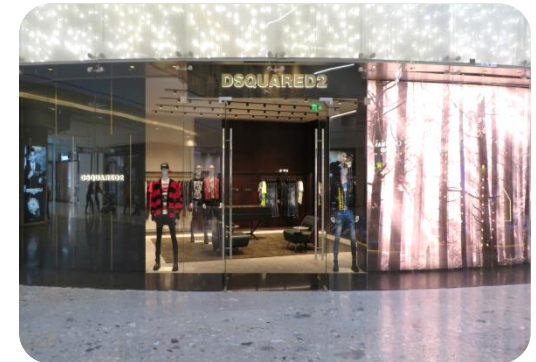
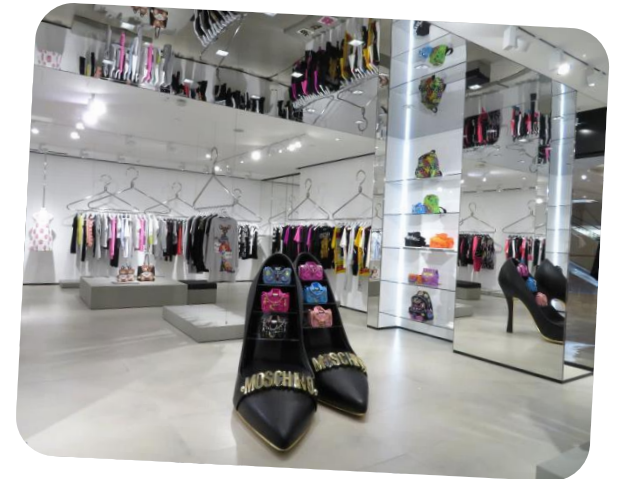


Life Hub @ Jinqiao

Growing Distribution Business

Distribution Business of High-end Fashion Brands

- Became official sole agent for TWINSET and GCDS in China and Hong Kong regions
- Set up first TWINSET store in Shanghai K11 Art Mall and four SERGIO ROSSI stores in Shanghai, Guangzhou, Shenyang and Chongqing
- Tmall flagship stores of MOSCHINO and DSQUARED2 went live online
- 83 stores as at 31 Dec 2018



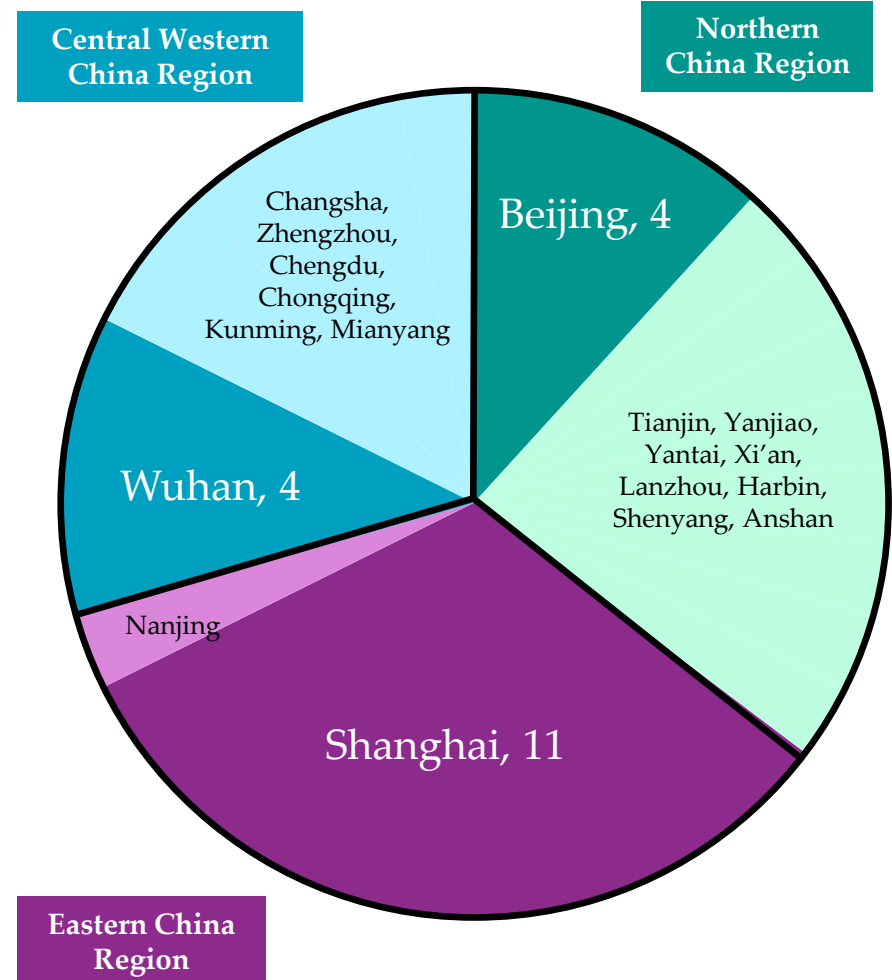
Retail Network



Store Portfolio (as at 31 December 2018)

No. of Stores in Three Regions

- **34** “New World” (「新世界」) and “Ba Li Chun Tian” (「巴黎春天」) branded department stores and shopping malls
- **18** major cities/locations in Mainland China
- 3 operating regions
- Total GFA: **1,358,480** sq.m.



Capturing Opportunities in New Tier 1 Cities



Northern China Region:

- [Tier 1] Beijing
- [New Tier 1] Tianjin, Xi'an, Shenyang
- [Tier 2] Yantai, Harbin, Lanzhou
- [Tier 3] Anshan
- [Others] Yanjiao

Eastern China Region:

- [Tier 1] Shanghai
- [New Tier 1] Nanjing

Central Western China Region:

- [New Tier 1] Wuhan, Changsha, Zhengzhou, Chengdu, Chongqing
- [Tier 2] Kunming
- [Tier 3] Mianyang

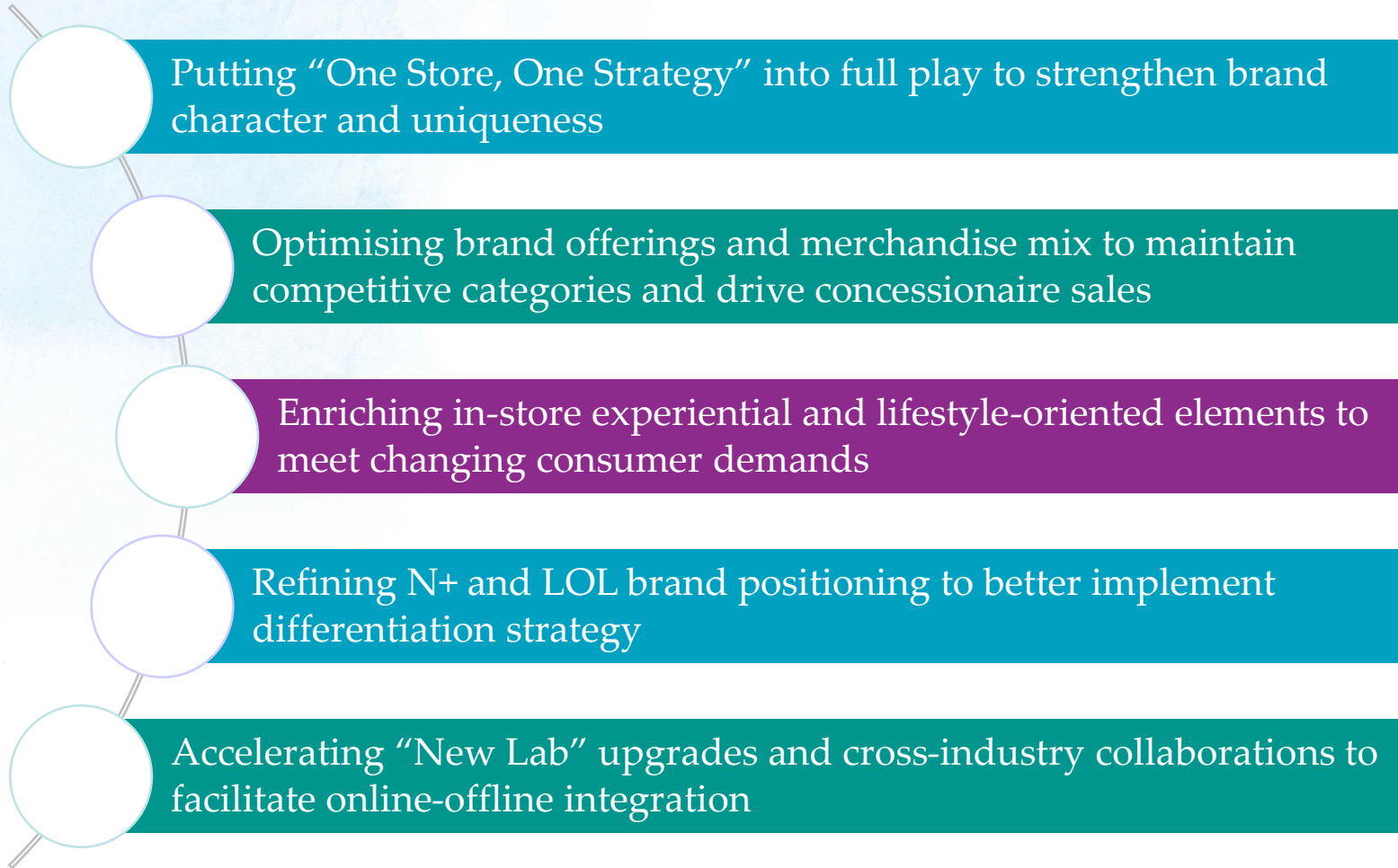
N.B. The above cities are categorised according to the China's Cities 2018: Cities of Business Attractiveness released by The Rising Lab (新一線城市研究所) under Yicai Media Group (第一財經), which grades all 338 prefecture-level cities in Mainland China based on data of 170 commercial brands and data from 19 Internet firms and institutions.

Source: <https://www.yicai.com/news/5418765.html>

Future Strategies



Future Strategies





End