



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)

(Hong Kong Stock Code : 825)

時 新 尚 個 生 性 活
Enriching Lives Enhancing Character

FY20 Interim Results Presentation

For the six months ended 31 December 2019

25 February 2020

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

- Company Facts
- Financial Highlights
- Retail Network
- Future Strategies
- Store List





Company Facts

Company Facts

Year of Establishment: 1993

Date of Listing on HKEx: 12 July 2007

HK Stock Code: 825

Issued Shares: 1,686,145,000

Shareholding Structure:

- New World Development 74.99%
- Public 25.01%

Board of Directors:

Non-executive Directors

- Dr. Cheng Kar-shun, Henry, *GBM, GBS (Chairman)*
- Mr. Au Tak-cheong

Executive Directors

- Dr. Cheng Chi-kong, Adrian, *JP*
- Mr. Cheung Fai-yet, Philip (*Chief Executive Officer*)

Independent non-executive Directors

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



Financial Highlights

Summary for 1HFY20

Same-store Sales Growth ('SSSG')

- SSSG for 1HFY20 was -12.4%, SSSG for 1HFY19 was -8.3%

Revenue

- Revenue for 1HFY20 was HK\$1,360.7 million compared with HK\$1,809.9 million in 1HFY19

Operating Profit

- Operating profit for 1HFY20 increased to HK\$319.2 million from HK\$192.5 million in 1HFY19

Profit for the Period ('Net Profit')

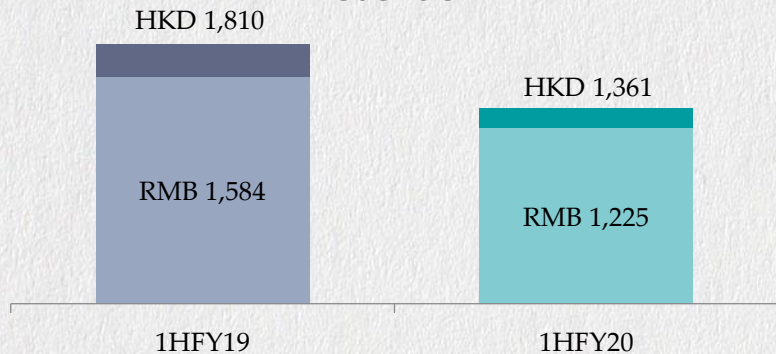
- Profit for the period increased to HK\$142.4 million from HK\$89.7 million in 1HFY19

Earnings per Share

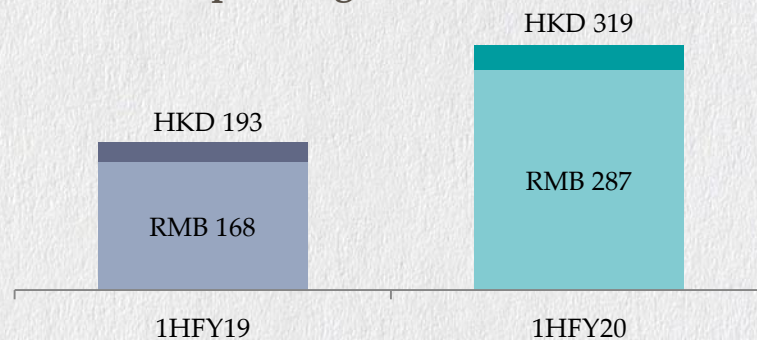
- Earnings per share for 1HFY20 was HK\$0.08

Financial Highlights *(HKD/RMB mn)*

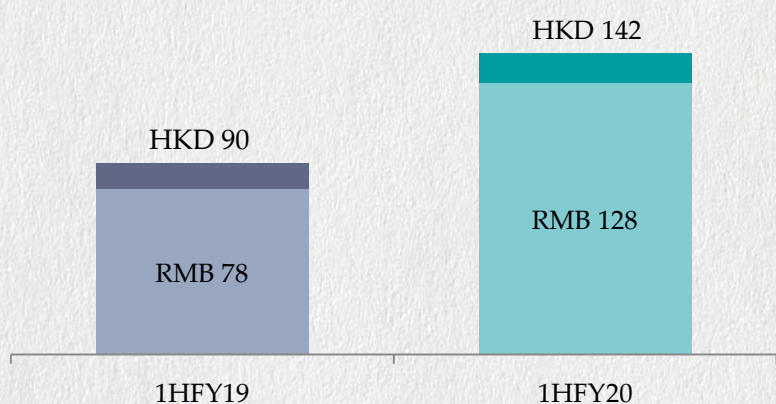
Revenue



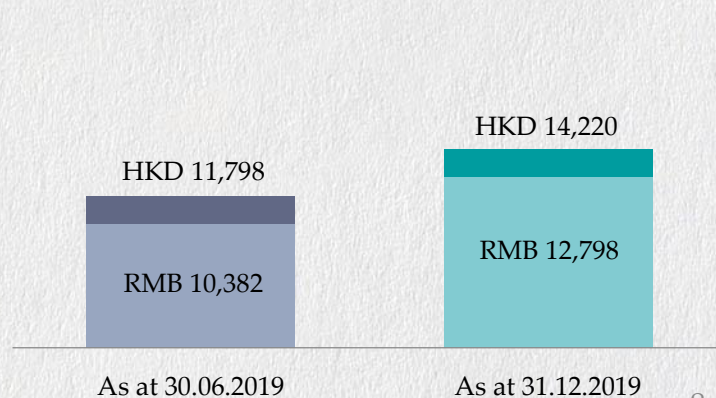
Operating Profit (EBIT)



Net Profit



Total Assets

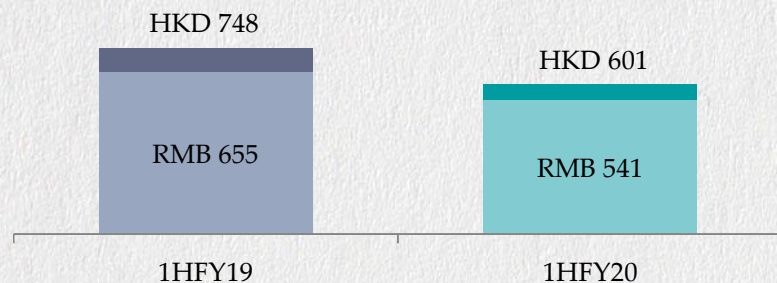


Revenue Breakdown

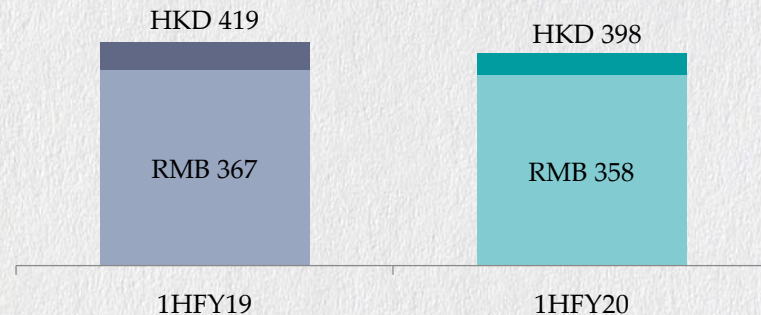


Revenue Analysis *(HKD/RMB mn)*

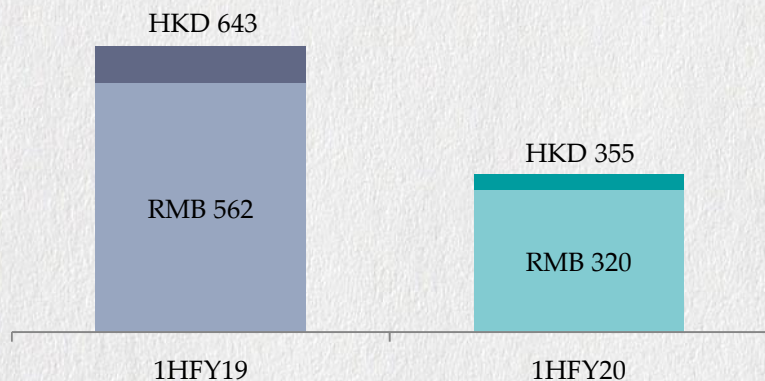
Commission Income from Concessionaire Sales



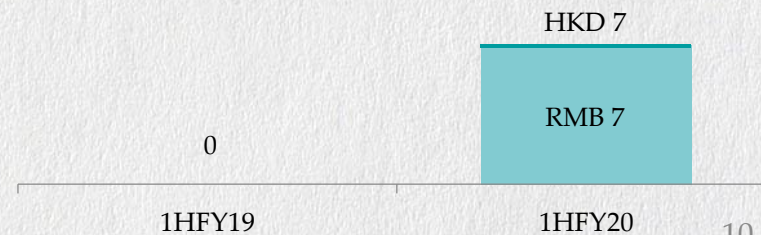
Rental Income



Sales of Goods for Direct Sales

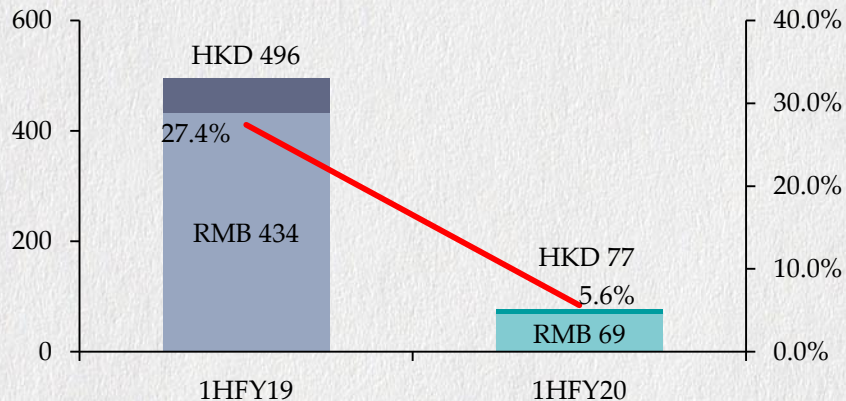


Interest Income from Finance Leases as the Lessor

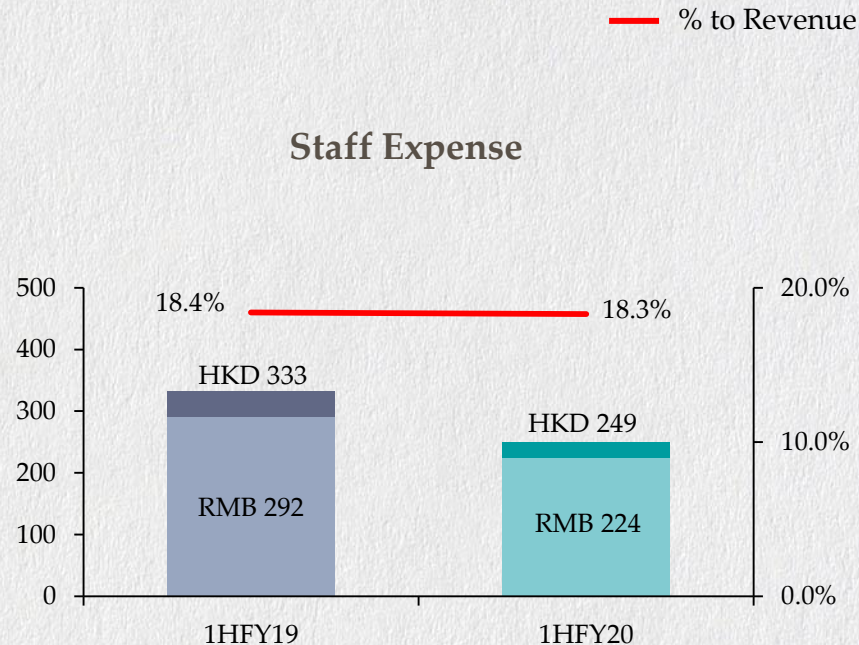


Expense Ratios (HKD/RMB mn)

Rental Expense[#]



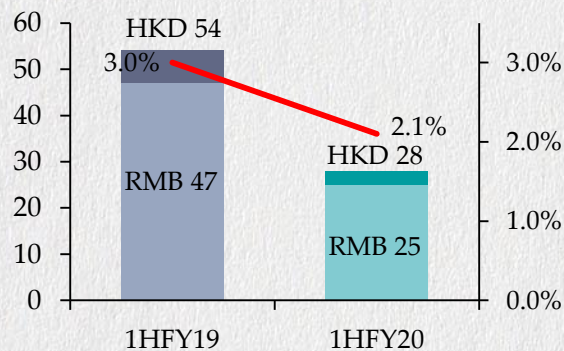
Staff Expense



[#]The decrease was mainly due to the impact of adoption of Hong Kong Financial Reporting Standard 16 ("HKFRS 16") in 1HFY20. Under HKFRS 16, rental expense is replaced with depreciation expense on the right-of-use assets and interest expense on the lease liabilities.

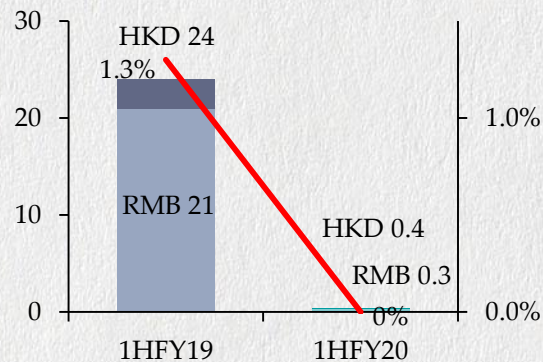
Expense Ratios (HKD/RMB mn)

Selling, Promotion, Advertising & Related Expenses*



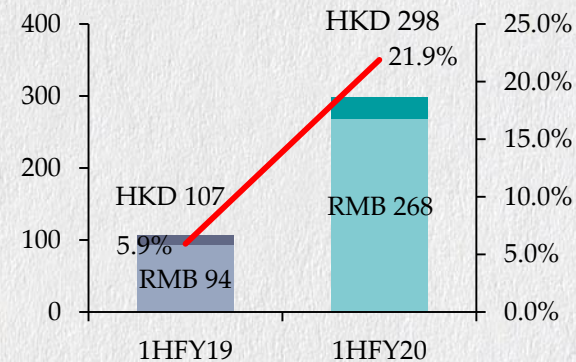
*This includes "Purchases of Promotion Items".

Water & Electricity[^]



[^]The decrease was mainly due to the cost control and utilities charge reduction in Mainland China.

Depreciation & Amortisation[#]



[#]The increase was mainly due to the impact of adoption of HKFRS 16 in 1H FY20. Under HKFRS 16, rental expense is replaced with depreciation expense on the right-of-use assets and interest expense on the lease liabilities.

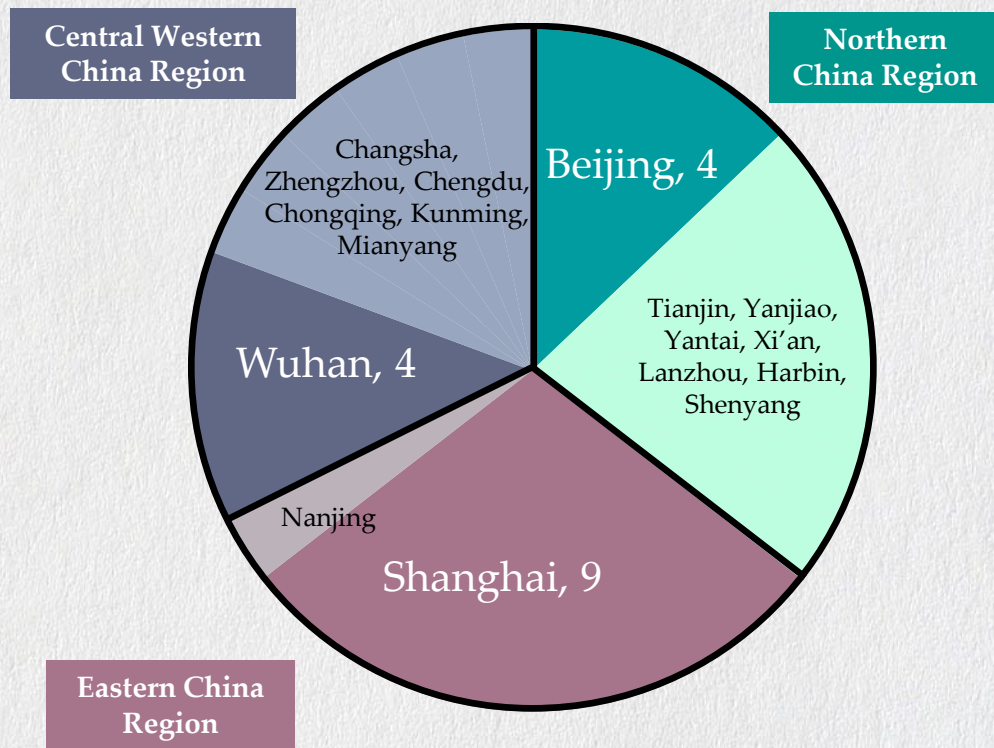
Retail Network



Store Portfolio (as at 31 December 2019)

- **31** “New World” (「新世界」) and “Ba Li Chun Tian” (「巴黎春天」) branded department stores and shopping malls
- **17** major locations in Mainland China
- Total GFA: **1,251,950** sq.m.

No. of Stores in Three Regions



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

[Others] Yanjiao

Eastern China Region:

[Tier 1] Shanghai

[New Tier 1] Nanjing

Central Western China Region:

[New Tier 1] Wuhan, Changsha, Zhengzhou, Chengdu, Chongqing, Kunming

[Tier 3] Mianyang

N.B. The above cities are categorised according to the Ranking of Cities' Business Attractiveness 2019 released by The Rising Lab (新一線城市研究所) under Yicai Media Group (第一財經), which grades all 337 prefecture-level cities in Mainland China based on data of 170 commercial brands and data from 18 Internet firms and institutions.

Source: <https://www.yicai.com/news/100200192.html>

Private Label Series

Private Labels



LOL Concept Shop

Existing stores: 15
Within NWDS: 11, outside NWDS: 4



N+ Convenience Store

Existing stores: 2
Beijing Chongwen Store,
Beijing Trendy Store



N+ Beauty

N+ Beauty

- Multi-label cosmetics store
- Pop-up store to be launched in June 2020 at Shanghai Pujian Branch Store

In progress

A stack of three dark, smooth stones is positioned on a light-colored sand surface. The stones are stacked vertically, with the top stone being the smallest and the bottom stone being the largest. The sand around the stones is marked with concentric, circular ripples, suggesting a Zen garden or a similar minimalist aesthetic. The background is a soft, out-of-focus light color.

Future Strategies

Future Strategies

- Fortifying presence of existing stores and delving deep into NWDS' brand character and uniqueness
- Focusing on cosmetics and sports categories to further drive concessionaire sales growth
- Enriching in-store experiential and lifestyle-oriented elements to draw foot traffic and cater to consumers' everyday needs
- Striving for scalability and operational efficiency of LOL and N+ while expanding the convenience store business within Beijing
- Leveraging "New Lab" upgrades and socialised e-commerce to facilitate offline-to-online integration

Store List



Northern China Region

(as at 31 December 2019)

✳ Thematic Street Zones

● LOL Concept Shop

★ New World Supermarket

	Date of Opening	Approx. GFA (sq.m.)		
1. Beijing New World Department Store No. 3 and No. 5 Chongwenmenwai Street, Dongcheng District, Beijing, China	Jul 1998	117,200	★	●
2. Beijing New World Trendy Department Store Block A, Wanda Plaza, 93 Jianguo Road, Chaoyang District, Beijing, China	Mar 2007	31,200		●
3. Beijing New World Liying Department Store 16 Guangshun South Road, Wangjing, Chaoyang District, Beijing, China	Sep 2008	52,000		●
4. Beijing New World Qianzi Department Store 18 Xinshunnan Road, Shunyi District, Beijing, China	Sep 2010	55,600		●
5. Tianjin New World Department Store 138 Dongma Road, Nankai District, Tianjin, China	Oct 1997	57,000	✳	
6. Yanjiao New World Department Store Xin Le Hui Shopping Plaza, Interchange of Shenwei North Road and Yan Ling Road, Yanjiao Economic and Technological Development Zone, Sanhe City, Hebei Province, China	Apr 2013	32,000		
7. Xi'an New World City Plaza 88 North Street, Lianhu District, Xi'an City, Shaanxi Province, China	Dec 2012	58,700		
8. Yantai New World Department Store Wanxiang Plaza, Qingquan Road, Laishan District, Yantai, Shandong Province, China	Dec 2013	55,600	★	
9. Lanzhou New World Department Store 89 Zhangye Road, Chengguan District, Lanzhou, Gansu, China	Sep 2005	28,500	★	
10. Harbin New World Department Store 403 Huayuan Street, Nangang District, Harbin, Heilongjiang Province, China	Nov 1996	50,000		
11. Shenyang New World Department Store – Jianqiao Road Branch Store 3 Jianqiao Road, Dadong District, Shenyang City, Liaoning, China	May 2011	34,000		

Eastern China Region

(as at 31 December 2019)



Thematic Street Zones



LOL Concept Shop

	Date of Opening	Approx. GFA (sq.m.)	
1. Hong Kong New World Department Store – Shanghai Huaihai Branch Store 939-949 Central Huaihai Road, Huangpu District, Shanghai, China	Dec 2001	22,500	
2. Hong Kong New World Department Store – Shanghai Hongkou Branch Store 1688 North Sichuan Road, Hongkou District, Shanghai, China	Oct 2003	19,600	
3. Hong Kong New World Department Store – Shanghai Qibao Branch Store 3755 Qixin Road, Minhang District, Shanghai, China	Dec 2005	36,550	
4. Hong Kong New World Department Store – Shanghai Wujiaochang Branch Store 1 Songhu Road, Yangpu District, Shanghai, China	Dec 2006	44,000	●
5. Hong Kong New World Department Store – Shanghai Pujian Branch Store 118 Pujian Road, Pudong New District, Shanghai, China	Sep 2007	46,000	●
6. Hong Kong New World Department Store – Shanghai Baoshan Branch Store 888 Zhenhua Road, Baoshan District, Shanghai, China	Jan 2010	39,000	●
7. Hong Kong New World Department Store – Shanghai Chengshan Branch Store 1993 Chengshan Road, Pudong New District, Shanghai, China	Apr 2010	38,000	●
8. Hong Kong New World Department Store – Shanghai Shaanxi Road Branch Store No. 155 Changshou Road, Putuo District, Shanghai, China	Nov 2011	42,000	
9. Hong Kong New World Department Store – Shanghai Tianshan Road Branch Store 762 Tian Shan Road, Changning District, Shanghai, China	Aug 2013	43,000	
10. Nanjing New World Department Store 88 Zhujiang Road, Xuanwu District, Nanjing, Jiangsu, China	Nov 2007	41,200	✱

Central Western China Region

(as at 31 December 2019)



Thematic Street Zones



LOL Concept Shop

	Date of Opening	Approx. GFA (sq.m.)		
1. Wuhan New World Department Store 566 Jian She Da Dao, Hankou, Wuhan, Hubei Province, China	Nov 1994	42,000		●
2. Wuhan New World Trendy Plaza 118 Jiangnan Road, Jiangnan District, Wuhan, Hubei Province, China	Dec 2001	23,000		
3. Wuhan New World Department Store – Wuchang Branch Store 1 Luoyu Road, Hongshan District, Wuhan, Hubei Province, China	Oct 2005	24,000	*	●
4. Wuhan New World Department Store – Xudong Branch Store 31 Xudong Dajie, Hongshan District, Wuhan, Hubei Province, China	Jan 2008	29,200		
5. Chengdu New World Department Store Plaza Central, 8 Shun Cheng Da Jie, Jinjiang District, Chengdu, Sichuan, China	Dec 2006	30,000		
6. Chongqing New World Department Store Future International Building, No.6 Guanyinqiao, Pedestrian Street, Jiangbei District, Chongqing, China	Sep 2006	42,000		
7. Mianyang New World Department Store 72 Eastern Linyuan Road, Fucheng District, Mianyang City, Sichuan, China	Dec 2011	35,000		●
8. Kunming New World Department Store 432 Qingnian Road, Wuhua District, Kunming, Yunnan Province, China	Jun 2004	12,600		
9. Zhengzhou New World Department Store 57 Zijingshan Road, Guancheng Huizu District, Zhengzhou, China	Apr 2011	35,500	*	
10. Changsha New World Trendy Plaza 153 Wuyi Xi Road, Changsha, Hunan Province, China	Sep 2006	35,000	*	



Thank You