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WING ON COMPANY INTERNATIONAL LIMITED
永安國際有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 289)

ANNOUNCEMENT OF 2025 ANNUAL RESULTS

The directors of Wing On Company International Limited (the “**Company**”) and its subsidiaries (together referred to as the “**Group**”) announce the consolidated results for the year ended 31 December 2025:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Year ended 31 December	
		2025	2024
		HK\$'000	HK\$'000
Revenue	3	851,969	946,232
Other revenue	5	116,434	141,985
Other net gain	5	431,768	171,062
Cost of department store sales	6(d)	(227,599)	(252,638)
Cost of property leasing activities	6(b)	(123,429)	(115,106)
Other operating expenses	6(c)	(366,380)	(370,809)
Profit from operations		682,763	520,726
Finance costs	6(a)	(2,281)	(3,402)
		680,482	517,324
Net valuation loss on investment properties		(961,998)	(1,375,504)
		(281,516)	(858,180)
Share of loss of an associate		(14,891)	(18,378)
Loss before taxation	6	(296,407)	(876,558)
Income tax	7	(31,892)	(46,778)
Loss for the year		(328,299)	(923,336)
Attributable to:			
Shareholders of the Company		(330,495)	(919,108)
Non-controlling interests		2,196	(4,228)
Loss for the year		(328,299)	(923,336)
Basic and diluted loss per share	9(a)	(114.3) cents	(316.9) cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December			
	2025		2024	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss for the year		<u>(328,299)</u>		<u>(923,336)</u>
Other comprehensive income for the year (with nil tax effect):				
Items that will not be reclassified subsequently to profit or loss:				
- other investments at fair value through other comprehensive income		6,186	588	
- remeasurement of long service payment liabilities		<u>(1,069)</u>	<u>(492)</u>	
		5,117		96
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation adjustments:				
- exchange differences on translation of financial statements of subsidiaries outside Hong Kong		243,935	(323,369)	
- share of exchange differences on translation of financial statements of an associate outside Hong Kong		<u>2,925</u>	<u>(3,526)</u>	
		<u>246,860</u>		<u>(326,895)</u>
Other comprehensive income for the year		<u>251,977</u>		<u>(326,799)</u>
Total comprehensive income for the year		<u>(76,322)</u>		<u>(1,250,135)</u>
Attributable to:				
Shareholders of the Company		(78,572)		(1,245,749)
Non-controlling interests		<u>2,250</u>		<u>(4,386)</u>
Total comprehensive income for the year		<u>(76,322)</u>		<u>(1,250,135)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31 December 2025	At 31 December 2024
	Note	HK\$'000	HK\$'000
Non-current assets			
Investment properties		12,212,128	12,873,724
Other property, plant and equipment		<u>313,067</u>	<u>334,645</u>
		12,525,195	13,208,369
Interest in an associate	10	111,551	308,586
Other investments		126,411	120,225
Prepayments	11	<u>31,393</u>	<u>5,840</u>
		<u>12,794,550</u>	<u>13,643,020</u>
Current assets			
Financial assets measured at fair value through profit or loss (“FVPL”)		2,555,875	2,208,591
Inventories		65,875	70,621
Debtors, deposits and prepayments	11	47,390	57,498
Amounts due from fellow subsidiaries		15,679	5,821
Current tax recoverable		6,160	3,057
Cash and bank balances		<u>2,176,026</u>	<u>2,079,994</u>
		<u>4,867,005</u>	<u>4,425,582</u>
Current liabilities			
Creditors and accrued charges	12	308,870	296,782
Contract liabilities		15,608	19,855
Secured bank loan		-	59,280
Lease liabilities		19,424	17,814
Amounts due to fellow subsidiaries		1,137	2,015
Current tax payable		<u>4,126</u>	<u>8,899</u>
		<u>349,165</u>	<u>404,645</u>
Net current assets		<u>4,517,840</u>	<u>4,020,937</u>
Total assets less current liabilities		<u>17,312,390</u>	<u>17,663,957</u>
Non-current liabilities			
Lease liabilities		382	19,107
Long service payment liabilities		3,464	3,462
Deferred tax liabilities		<u>818,004</u>	<u>783,040</u>
		<u>821,850</u>	<u>805,609</u>
NET ASSETS		<u>16,490,540</u>	<u>16,858,348</u>
Capital and reserves			
Share capital		28,847	28,958
Reserves		<u>16,434,327</u>	<u>16,804,274</u>
Total equity attributable to shareholders of the Company		16,463,174	16,833,232
Non-controlling interests		<u>27,366</u>	<u>25,116</u>
TOTAL EQUITY		<u>16,490,540</u>	<u>16,858,348</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to shareholders of the Company										
		Share capital	Land and building revaluation reserve	Investment revaluation reserve	Exchange reserve	Contributed surplus	General reserve fund	Retained earnings (Note)	Total	Non-controlling interests	Total equity
	Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2025		28,958	278,710	105,307	(715,126)	754,347	3,111	16,377,925	16,833,232	25,116	16,858,348
Changes in equity for 2025											
(Loss)/profit for the year		-	-	-	-	-	-	(330,495)	(330,495)	2,196	(328,299)
Other comprehensive income for the year		-	-	6,186	246,806	-	-	(1,069)	251,923	54	251,977
Total comprehensive income for the year		-	-	6,186	246,806	-	-	(331,564)	(78,572)	2,250	(76,322)
Purchase of own shares											
- par value paid		(111)	-	-	-	-	-	-	(111)	-	(111)
- premium and transaction costs paid		-	-	-	-	-	-	(13,745)	(13,745)	-	(13,745)
Dividends approved and paid in respect of the previous year	8(b)	-	-	-	-	-	-	(153,304)	(153,304)	-	(153,304)
Dividends declared and paid in respect of the current year	8(a)	-	-	-	-	-	-	(124,326)	(124,326)	-	(124,326)
Share of the general reserve fund of an associate: transfer to the general reserve fund		-	-	-	-	-	73	(73)	-	-	-
		(111)	-	6,186	246,806	-	73	(623,012)	(370,058)	2,250	(367,808)
At 31 December 2025		28,847	278,710	111,493	(468,320)	754,347	3,184	15,754,913	16,463,174	27,366	16,490,540
At 1 January 2024		29,042	278,710	104,719	(388,389)	754,347	3,111	17,574,290	18,355,830	29,502	18,385,332
Changes in equity for 2024											
Loss for the year		-	-	-	-	-	-	(919,108)	(919,108)	(4,228)	(923,336)
Other comprehensive income for the year		-	-	588	(326,737)	-	-	(492)	(326,641)	(158)	(326,799)
Total comprehensive income for the year		-	-	588	(326,737)	-	-	(919,600)	(1,245,749)	(4,386)	(1,250,135)
Purchase of own shares											
- par value paid		(84)	-	-	-	-	-	-	(84)	-	(84)
- premium and transaction costs paid		-	-	-	-	-	-	(9,964)	(9,964)	-	(9,964)
Dividends approved and paid in respect of the previous year	8(b)	-	-	-	-	-	-	(174,057)	(174,057)	-	(174,057)
Dividends declared and paid in respect of the current year	8(a)	-	-	-	-	-	-	(92,744)	(92,744)	-	(92,744)
		(84)	-	588	(326,737)	-	-	(1,196,365)	(1,522,598)	(4,386)	(1,526,984)
At 31 December 2024		28,958	278,710	105,307	(715,126)	754,347	3,111	16,377,925	16,833,232	25,116	16,858,348

Note:

Retained earnings attributable to the shareholders of the Company as at 31 December 2025 include the aggregate net valuation gain relating to investment properties after deferred tax of HK\$9,487,650,000 (at 31 December 2024: HK\$10,428,347,000).

NOTES

1. Basis of preparation

The annual results set out in the announcement do not constitute the Group's financial statements for the year ended 31 December 2025 but are extracted from those financial statements.

The financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. This announcement also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). In addition, this announcement has been reviewed by the Company's Audit Committee.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2025 as set out in the announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the auditor on the announcement.

2. Changes in accounting policies

The HKICPA has issued a number of new or amended HKFRS Accounting Standards that are first effective for the current reporting period of the Group. None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current reporting period.

3. Revenue

The principal activities of the Group are the operation of department stores and property investment.

The Group's revenue comprised the invoiced value of goods sold to customers less returns, net income from concession sales and consignment sales and income from property investment. Disaggregation of revenue by category is analysed as follows:

	2025	2024
	HK\$'000	HK\$'000
Under the scope of HKFRS 15		
Revenue from contracts with customers:		
Department stores (recognised at a point in time)		
- Sales of goods	322,995	359,289
- Net income from concession sales	119,712	134,949
- Net income from consignment sales	42,412	48,352
	485,119	542,590
Property investment (recognised over time)		
- Building management fees and other rental related income	50,060	54,661
Under the scope of HKFRS 16 Leases:		
Property investment		
- Rentals from investment properties	316,790	348,981
	851,969	946,232

Disaggregation of revenue from contracts with customers by geographical locations is disclosed in note 4(c).

The Group's customer base is diversified and does not have any customer with whom transactions have exceeded 10% of the Group's total revenue.

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its revenue such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts that had an original expected duration of one year or less.

4. Segment reporting

The Group manages its business by two divisions, namely department stores and property investment. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Department stores: this segment operates department stores in Hong Kong.
- Property investment: this segment leases commercial premises to generate rental income. Currently the Group's investment property portfolio is located in Hong Kong, Australia and the United States.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

- Segment assets include all tangible assets and current assets with the exception of interest in an associate, investments in financial assets, current tax recoverable and other corporate assets. Segment liabilities include creditors and accrued charges, contract liabilities, lease liabilities and long service payment liabilities managed directly by the segments.
- Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is profit from operations before interest income.

In addition to receiving segment information concerning segment profit, the Group's most senior executive management is provided with segment information concerning revenue (including inter-segment revenue), interest on lease liabilities managed directly by the segments, depreciation and amortisation, bad debts written off and additions to non-current segment assets used by the segments in their operations.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.

	Department stores		Property investment		Total	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	485,119	542,590	366,850	403,642	851,969	946,232
Inter-segment revenue	-	-	75,022	103,885	75,022	103,885
Reportable segment revenue	485,119	542,590	441,872	507,527	926,991	1,050,117
Reportable segment profit/(loss)	(64,602)	(60,040)	292,819	363,483	228,217	303,443
Interest on lease liabilities	2,020	3,280	-	-	2,020	3,280
Depreciation and amortisation	31,976	27,337	44,565	51,925	76,541	79,262
Bad debts written off	8	1	163	-	171	1
Reportable segment assets	206,486	219,570	12,457,618	13,116,577	12,664,104	13,336,147
Additions to non-current segment assets during the year	26,559	73,435	100,508	26,552	127,067	99,987
Reportable segment liabilities	177,270	213,746	126,326	101,199	303,596	314,945

(b) Reconciliations of reportable segment profit, assets and liabilities

	2025 HK\$'000	2024 HK\$'000
Profit		
Reportable segment profit	228,217	303,443
Other revenue	116,426	141,822
Other net gain	431,768	171,062
Finance costs	(2,281)	(3,402)
Net valuation loss on investment properties	(961,998)	(1,375,504)
Share of loss of an associate	(14,891)	(18,378)
Unallocated head office and corporate expenses	(93,648)	(95,601)
Consolidated loss before taxation	<u>(296,407)</u>	<u>(876,558)</u>
Assets		
Reportable segment assets	12,664,104	13,336,147
Elimination of inter-segment receivables	<u>(3,533)</u>	<u>(3,533)</u>
	12,660,571	13,332,614
Interest in an associate	111,551	308,586
Other investments	126,411	120,225
Financial assets measured at FVPL	2,555,875	2,208,591
Current tax recoverable	6,160	3,057
Unallocated head office and corporate assets	<u>2,200,987</u>	<u>2,095,529</u>
Consolidated total assets	<u>17,661,555</u>	<u>18,068,602</u>
Liabilities		
Reportable segment liabilities	303,596	314,945
Elimination of inter-segment payables	<u>(3,533)</u>	<u>(3,533)</u>
	300,063	311,412
Secured bank loan	-	59,280
Current tax payable	4,126	8,899
Deferred tax liabilities	818,004	783,040
Unallocated head office and corporate liabilities	<u>48,822</u>	<u>47,623</u>
Consolidated total liabilities	<u>1,171,015</u>	<u>1,210,254</u>

(c) **Geographic information**

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's investment properties and other property, plant and equipment, interest in an associate and non-current prepayments (“**specified non-current assets**”). The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the assets in the case of investment properties, other property, plant and equipment and non-current prepayments and the location of operations in the case of interest in an associate.

	Revenue from external customers		Specified non-current assets	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong (place of domicile)	<u>749,590</u>	<u>825,454</u>	<u>8,961,515</u>	<u>10,006,734</u>
Australia	99,199	117,355	3,460,221	3,254,710
The United States	3,180	3,423	138,297	116,265
The Mainland	-	-	108,106	145,086
	<u>102,379</u>	<u>120,778</u>	<u>3,706,624</u>	<u>3,516,061</u>
	<u>851,969</u>	<u>946,232</u>	<u>12,668,139</u>	<u>13,522,795</u>

5. Other revenue and other net gain

	2025 HK\$'000	2024 HK\$'000
Other revenue		
Interest income from bank deposits	75,558	94,110
Dividend income from financial assets measured at FVPL	24,271	27,216
Interest income from financial assets measured at FVPL	8,184	10,765
Dividend income from other investments	3,572	2,584
Others	4,849	7,310
	<u>116,434</u>	<u>141,985</u>
	2025 HK\$'000	2024 HK\$'000
Other net gain		
Fair value change on financial assets measured at FVPL	421,744	188,925
Net foreign exchange gain/(loss)	10,234	(17,848)
Net loss on disposal of plant and equipment	(210)	(15)
	<u>431,768</u>	<u>171,062</u>

6. Loss before taxation

Loss before taxation is arrived at after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
(a) Finance costs		
Interest on lease liabilities	2,020	3,280
Interest on secured bank loan	261	122
	<u>2,281</u>	<u>3,402</u>
(b) Rentals receivable from investment properties		
Income from property investment	(366,850)	(403,642)
Less: direct outgoings	123,429	115,106
	<u>(243,421)</u>	<u>(288,536)</u>
(c) Other operating expenses, include		
Staff costs (excluding directors' emoluments)		
- salaries, wages and other benefits	189,194	187,666
- contributions to defined contribution retirement plans	8,672	9,089
- expenses recognised in respect of long service payment liabilities	489	421
	<u>198,355</u>	<u>197,176</u>
Less: included in cost of property leasing activities	(1,600)	(1,450)
	<u>196,755</u>	<u>195,726</u>
Directors' emoluments	32,688	34,036
Depreciation		
- owned plant and equipment	17,535	12,969
- right-of-use assets	33,107	38,055
Auditors' remuneration		
- audit services	4,777	4,573
- tax services	420	424
- other services	987	954
Bad debts written off	171	1
Expenses relating to short-term leases	53	49
Advertising expenses	9,266	10,017
Electricity, water and gas	7,379	7,479
Credit card commission	5,578	5,405
Government rent and rates	4,692	5,133
Information technology expenses	4,547	6,534
(d) Other items		
Amortisation on lease incentives	26,407	28,785
Cost of inventories sold	227,599	252,638

7. Income tax in the consolidated statement of profit or loss

	2025 HK\$'000	2024 HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	34,253	40,976
(Over)/under-provision in respect of prior years	(89)	64
	<u>34,164</u>	<u>41,040</u>
Current tax – Outside Hong Kong		
Provision for the year	18,754	28,164
Over-provision in respect of prior years	(101)	(19)
	<u>18,653</u>	<u>28,145</u>
Deferred tax		
Origination and reversal of temporary differences		
- changes in fair value of investment properties	(23,329)	(22,703)
- other temporary differences	2,404	296
	<u>(20,925)</u>	<u>(22,407)</u>
Total income tax expense	<u><u>31,892</u></u>	<u><u>46,778</u></u>

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% for the years ended 31 December 2025 and 2024.

Taxation for subsidiaries outside Hong Kong is charged similarly at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

8. Dividends

(a) Dividends payable to shareholders of the Company attributable to the year:

	2025 HK\$'000	2024 HK\$'000
Interim dividend:		
- declared during the year	124,378	92,812
- attributable to shares purchased in July and September 2025/July and September 2024	<u>(52)</u>	<u>(68)</u>
Interim dividend paid of 43 HK cents (2024: 32 HK cents) per share	124,326	92,744
Final dividend proposed after the end of the reporting period of 74 HK cents (2024: 53 HK cents) per share	<u>213,469</u>	<u>153,474</u>
	<u>337,795</u>	<u>246,218</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2025 HK\$'000	2024 HK\$'000
Final dividend in respect of the financial year ended 31 December 2024/31 December 2023:		
- approved during the year	153,474	174,250
- attributable to shares purchased in January to May 2025/January, February, April, May and June 2024	<u>(170)</u>	<u>(193)</u>
Final dividend paid during the year of 53 HK cents (paid during 2024: 60 HK cents) per share	<u>153,304</u>	<u>174,057</u>

9. Basic and diluted loss per share

- (a) The calculation of basic loss per share is based on the consolidated loss attributable to shareholders of the Company for the year ended 31 December 2025 of HK\$330,495,000 (2024: HK\$919,108,000) divided by the weighted average of 289,147,000 shares (2024: 290,025,000 shares) in issue during the year.

There were no dilutive potential shares outstanding throughout the years presented.

- (b) **Adjusted basic earnings per share excluding the net valuation loss on investment properties net of related deferred tax thereon**

For the purpose of assessing the underlying performance of the Group, management is of the view that the loss for the year should be adjusted for the net valuation loss on investment properties net of related deferred tax thereon in arriving at the “underlying profit attributable to shareholders of the Company”.

The difference between the underlying profit attributable to shareholders of the Company and loss attributable to shareholders of the Company as shown in the consolidated statement of profit or loss for the year is reconciled as follows:

	2025		2024	
		(Loss)/ earnings per share		(Loss)/ earnings per share
	HK\$'000	HK cents	HK\$'000	HK cents
Loss attributable to shareholders of the Company as shown in the consolidated statement of profit or loss	(330,495)	(114.3)	(919,108)	(316.9)
Add: net valuation loss on investment properties	961,998	332.7	1,375,504	474.2
Less: decrease in deferred tax liabilities in relation to the net valuation loss on investment properties	(23,329)	(8.1)	(22,703)	(7.8)
	<u>608,174</u>	<u>210.3</u>	<u>433,693</u>	<u>149.5</u>
Add/(less): valuation gain/(loss) on investment property net of related deferred tax thereon attributable to non-controlling interests	<u>2,028</u>	<u>0.7</u>	<u>(4,404)</u>	<u>(1.5)</u>
Underlying profit attributable to shareholders of the Company	<u>610,202</u>	<u>211.0</u>	<u>429,289</u>	<u>148.0</u>

10. Interest in an associate

	2025 HK\$'000	2024 HK\$'000
Unlisted shares		
Share of net assets other than intangible assets	108,353	304,898
Share of intangible assets of an associate	3,198	3,688
	<u>111,551</u>	<u>308,586</u>

During the year ended 31 December 2025, the Group received dividends and distributions of HK\$185,069,000 (2024: nil) from the associate.

11. Debtors, deposits and prepayments

	2025 HK\$'000	2024 HK\$'000
Trade debtors (net of loss allowance)	10,390	11,276
Other debtors	15,341	13,692
Deposits and prepayments	53,052	38,370
	<u>78,783</u>	<u>63,338</u>
Represented by:		
Non-current portion	31,393	5,840
Current portion	47,390	57,498
	<u>78,783</u>	<u>63,338</u>

At the end of the reporting period, the ageing analysis of trade debtors (net of loss allowance), based on the due date, is as follows:

	2025 HK\$'000	2024 HK\$'000
Current (not past due) or less than one month past due	9,694	10,750
One to three months past due	435	265
More than three months but less than twelve months past due	260	261
More than twelve months past due	1	-
	<u>10,390</u>	<u>11,276</u>

The Group's retail sales to customers are mainly made in cash, credit cards or other electronic payment methods. The trade receivables from credit cards or other electronic payment service providers are normally settled in one to two business days in arrears; and the rentals from leasing of investment properties are normally received in advance of each month.

12. Creditors and accrued charges

	2025	2024
	HK\$'000	HK\$'000
Trade and other creditors	253,537	246,574
Accrued charges	55,333	50,208
	<u>308,870</u>	<u>296,782</u>

At the end of the reporting period, the ageing analysis of trade and other creditors, based on the due date, is as follows:

	2025	2024
	HK\$'000	HK\$'000
Amounts not yet due	213,700	196,597
On demand or less than one month overdue	37,871	47,103
One to three months overdue	1,415	2,636
More than three months but less than twelve months overdue	436	76
More than twelve months overdue	115	162
	<u>253,537</u>	<u>246,574</u>

The credit period granted to the Group is generally between 30 days and 90 days from the date of billing.

2025 RESULTS AND DIVIDEND

For the year ended 31 December 2025, the Group's revenue was HK\$852.0 million (2024: HK\$946.2 million), a decrease of 10.0% due mainly to the decreases in the Group's department stores revenue and property investment income.

The Group recorded a loss attributable to shareholders of HK\$330.5 million for the year ended 31 December 2025 (2024: HK\$919.1 million), which was mainly attributable to the net valuation loss on the Group's investment properties of HK\$962.0 million for the year ended 31 December 2025 as compared to HK\$1,375.5 million for the year ended 31 December 2024; and a gain from the Group's investment portfolio of HK\$451.2 million for the year ended 31 December 2025 as compared to HK\$222.5 million for the year ended 31 December 2024.

The Group recorded an increase of 42.1% in underlying profit attributable to shareholders, which excludes the net valuation loss on the Group's investment properties and related deferred tax thereon, to HK\$610.2 million for the year ended 31 December 2025 from HK\$429.3 million for the year ended 31 December 2024.

Loss per share for 2025 was 114.3 HK cents (2024: 316.9 HK cents) per share. Excluding the net valuation loss on the Group's investment properties and related deferred tax thereon, the Group's underlying earnings per share for 2025 was 211.0 HK cents (2024: 148.0 HK cents) per share.

The Company has adopted a dividend policy which formulates a practice of paying dividends to shareholders based on the amount of underlying profit attributable to shareholders for the year and makes no reference to any valuation gain or loss on the Group's investment properties. Over the last decade, the Company has consistently paid to shareholders annual dividends of about 50% of the Group's underlying profit for each of those years. Barring unforeseen circumstances or any major funding needs, the Company intends to maintain such dividend policy. For 2025, the directors have recommended a final dividend of 74 HK cents (2024: 53 HK cents) per share payable to shareholders on the register of members of the Company on Friday, 26 June 2026. Together with the interim dividend of 43 HK cents (2024: 32 HK cents) per share paid on Friday, 24 October 2025, a total dividend payment of 117 HK cents (2024: 85 HK cents) per share is declared for the entire year.

Subject to shareholders' approval of the proposed final dividend for the year ended 31 December 2025 at the forthcoming Annual General Meeting to be held on Monday, 15 June 2026, the register of members of the Company will be closed from Monday, 22 June 2026 to Friday, 26 June 2026, both dates inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend (subject to the shareholders' approval), all properly completed share transfer forms accompanied by the relevant share certificates must be lodged for registration with the share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Thursday, 18 June 2026. Dividend warrants will be sent to shareholders on Monday, 13 July 2026.

BUSINESS STRATEGY

The Group's current business strategy is to focus on the operation of its department stores business and the enhancement of rental income from its commercial property investment. These are the Group's core businesses and the primary revenue contributors. With Wing On Department Stores being a household name and having a presence of 118 years in Hong Kong, the Group is well aware of and adapts timely to the ever-changing needs of its customers. The Group is confident that its department stores will continue to serve its customers well.

In addition to its core business activities, the Group also invests in equity and debt securities, investment funds, strategies managed by professional investment managers, and derivative financial instruments. With its sound financials, the Group will continue to strengthen its core business activities and look for opportunities to expand its business and to improve its earnings.

LIQUIDITY AND FINANCIAL RESOURCES

Overall Financial Position

Shareholders' equity at 31 December 2025 was HK\$16,463.2 million, a decrease of 2.2% as compared to HK\$16,833.2 million at 31 December 2024. With cash and listed marketable securities of HK\$3,506.5 million at 31 December 2025 (at 31 December 2024: HK\$3,256.7 million) as well as available banking facilities, the Group has sufficient liquidity to meet its current commitments and working capital requirements.

Borrowings and Charges on the Group's Assets

At 31 December 2025, the Group did not have any borrowings (at 31 December 2024: HK\$59.3 million). In 2025, the Group repaid the entire borrowings drawn down in 2024, which related to a one-year term loan denominated in Japanese Yen for the Group's investment in trading securities, and the relevant charges on certain assets were released. In view of the existing strong cash position, the Group does not anticipate any liquidity problems.

Gearing Ratio

The gearing ratio, which is computed from the total borrowings of the Group divided by shareholders' equity of the Group, was 0.4% at 31 December 2024. The Group did not have any borrowings at 31 December 2025. The gearing ratio was not applicable at 31 December 2025.

Funding and Treasury Policies

The Group adopts a prudent funding and treasury policy. Its exposure to fluctuations in the foreign exchange market mainly arose from the Group's net investment in subsidiaries outside Hong Kong of HK\$3,391.5 million at 31 December 2025 (at 31 December 2024: HK\$3,151.4 million). The Group's cash and bank balances are mainly denominated in Hong Kong dollar, United States dollar and Australian dollar.

Capital Commitments and Contingent Liabilities

At 31 December 2025, the Group's capital commitments amounted to HK\$50.6 million (at 31 December 2024: HK\$58.1 million). The Group had no contingent liabilities at 31 December 2025 and 2024.

2025 BUSINESS SUMMARY

Department Stores Operation

The retail sector in Hong Kong showed a combination of recovery and continued weakness throughout 2025. During the first half of 2025, the retail sector encountered persistent challenges due to sustained outbound travel, increased online shopping, cross-border shopping and entertainment, and changing shopping habits of Mainland visitors. Furthermore, Mainland e-commerce businesses and other budget stores expanded their presence in Hong Kong, posing further challenges to local retailers.

Driven by the improving economy, buoyant stock market and steady growth in inbound visitors during the latter part of the year, there was a notable improvement in overall retail sales in the second half of 2025. Some categories, such as consumer durable goods and jewellery and watches, exhibited strong growth, however others, including clothing, footwear and allied products and department store goods, remained under pressure.

While outbound travel from Hong Kong continued to increase in 2025, more Hong Kong residents chose to purchase goods outside Hong Kong. In contrast, inbound visitors set their preference towards experiential retail and social media-driven activities. Under these challenging retail environments, the Group's department stores encountered a decline in in-store customer traffic and reduced spending in 2025.

Acknowledging spatial constraints that restricted the expansion of in-store interactive and service-related activities, the Group sought to diversify its merchandise offerings, sourcing more high-quality, affordable products from overseas and expanding existing categories, including pet-products, wellness and health products, and sustainable and eco-friendly products to meet growing demand. These initiatives helped narrow the sales decline in the latter part of the year.

For the year ended 31 December 2025, the Group's department stores recorded a revenue of HK\$485.1 million, representing a decrease of 10.6% when compared to HK\$542.6 million in 2024. Overall, the Group's department stores recorded an operating loss of HK\$64.6 million (2024: HK\$60.0 million), as declines in revenue and gross profit were partially offset by the rental reliefs of HK\$27.9 million (2024: HK\$7.1 million) provided by the Group.

During the year, the Group completed the renovation of its wing on *Plus* store on Nathan Road. While in-store customer traffic at this store is gradually increasing, the Group will continue to refine its merchandise offerings to meet the changing needs of its customers in the neighbourhood.

Property Investment

For the year ended 31 December 2025, the Group's net property investment income decreased to HK\$292.8 million (2024: HK\$363.5 million). This decline was primarily due to the continued impact of high vacancy and low demand for commercial office space in the office leasing markets in Hong Kong and Melbourne, Australia.

Net income from the Group's commercial investment properties in Hong Kong for the year ended 31 December 2025 decreased by 15.4% to HK\$234.3 million (2024: HK\$277.0 million). This decline was primarily attributable to lower rental income from new leases and lease renewals, as well as the slight decrease in the average occupancy rate. The overall occupancy rate of the Group's commercial investment properties in Hong Kong remained at approximately 89% at 31 December 2025 (at 31 December 2024: 90%).

Net income from the Group's commercial office properties in Melbourne, Australia for the year ended 31 December 2025 decreased by 30.9% to HK\$61.6 million (2024: HK\$89.1 million). This decline was primarily attributable to the reduction in the average occupancy rate, and the consequential increase in irrecoverable outgoings. The overall occupancy rate increased slightly to approximately 76% at 31 December 2025 (at 31 December 2024: 72%) due to the commencement of a new tenancy in the last quarter of the year. Net income in terms of Australian dollar decreased by 29.5%.

Property Investment (Continued)

In 2024, the Group initiated a review of the commercial office properties' facilities in Melbourne, Australia. The review aimed to enhance the buildings' amenities and align with tenants' evolving leasing preferences, ensuring the properties' premium-grade status. In late 2025, the Group completed the concept design of the enhancement and subsequently awarded a contract to an independent contractor for a total sum of A\$9.2 million. Such contractor will undertake fitout works for a business lounge and a few specification office suites. Upon completion in the first quarter of 2026, the Group will proceed with its leasing plan for the buildings' spaces and tender other capital works as per the project plan. The entire enhancement project will take several years to complete as certain capital works will commence upon expiry of some existing leases.

Other Investments

At 31 December 2025, the Group's investment portfolio amounted to HK\$2,555.9 million (at 31 December 2024: HK\$2,208.6 million), which comprised of equity and debt securities, investment funds, strategies managed by professional investment managers, and derivative financial instruments. During the year ended 31 December 2025, the Group's investment portfolio recorded a gain of HK\$451.2 million (2024: HK\$222.5 million). The Group recorded a net foreign exchange gain of HK\$10.2 million (2024: a net loss of HK\$17.8 million) in its holdings of foreign currencies.

Interest in an Associate

For the year ended 31 December 2025, the Group recorded a share of loss after tax from the associate's automobile dealerships interest in the Mainland of HK\$17.2 million (2024: HK\$25.6 million). Overall, the Group recorded a share of loss after tax from the associate of HK\$14.9 million (2024: HK\$18.4 million) for the year ended 31 December 2025.

STAFF

At 31 December 2025, the Group had a total staff of 499 (at 31 December 2024: 531). The Group's remuneration policies, bonus schemes, Mandatory Provident Fund schemes, etc. have not changed materially from the information disclosed in the 2024 annual report. Details of such policies will be published in the 2025 annual report.

2026 OUTLOOK

In view of the intense competition among retailers, online shopping and shifting consumer preferences, the Group anticipates continued challenges for its department stores business in 2026. The Group will refine its merchandise strategy to prioritise value and affordability and strive to enhance its digital capability to adapt to market changes, while maintaining strict control over operating expenses. While the Group's investment properties in Hong Kong and Melbourne, Australia will continue to generate rental income in line with prevailing market conditions, the outlook for the office leasing markets in Hong Kong and Melbourne, Australia remains weak. With the Group's strong financial position, the Group is confident that it can meet the challenges ahead.

CORPORATE GOVERNANCE

The Company has complied with the applicable code provisions in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the financial year ended 31 December 2025.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") as its code of conduct regarding directors' securities transactions. The Company has made specific enquiries of all directors and all directors have confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 December 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended 31 December 2025, the Company purchased a total of 1,103,000 shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for enhancing net asset value and earnings per share of the Company. All the purchased shares were cancelled. Details of the purchases of shares are as follows:

Month/Year	Number of shares purchased	Purchase price per share		Aggregate price paid HK\$'000
		Highest HK\$	Lowest HK\$	
January 2025	129,000	11.80	11.78	1,520
February 2025	53,000	11.82	11.68	623
March 2025	59,000	11.72	11.70	691
April 2025	63,000	11.62	11.40	724
May 2025	18,000	11.56	11.56	208
July 2025	94,000	12.22	12.14	1,146
September 2025	28,000	13.44	12.60	373
October 2025	389,000	12.90	12.60	4,987
November 2025	85,000	13.21	13.00	1,115
December 2025	185,000	13.15	12.93	2,417
	<u>1,103,000</u>			<u>13,804</u>

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed shares of the Company during the year ended 31 December 2025.

ANNUAL GENERAL MEETING

The 2026 Annual General Meeting of the Company will be held on 15 June 2026. The Notice of Annual General Meeting will be published and dispatched on or about 23 April 2026 in the manner as required by the Listing Rules.

PUBLICATION OF ANNUAL REPORT

The 2025 Annual Report containing all the information required by the Listing Rules will be published on the websites of the Company and the Stock Exchange in due course.

By Order of the Board
Kwok Chi Leung Karl
Chairman

Hong Kong, 26 March 2026

As at the date of this announcement, the executive directors of the Company are Mr. Kwok Chi Leung Karl (Chairman), Mr. Kwok Chi Hang Lester (Deputy Chairman and Chief Executive Officer), Dr. Kwok Chi Piu Bill and Mr. Kwok Chi Yat; the independent non-executive directors of the Company are Miss Tam Wai Chu Maria, Mr. Leung Wing Ning, Mr. Nicholas James Debnam and Ms. Tsoi Siu Ting Annie; and the alternate directors of the Company are Mr. Kwok Stuart Wing-ching (alternate director to Mr. Kwok Chi Leung Karl), Mr. Kwok Wing Tai Dennis (alternate director to Mr. Kwok Chi Hang Lester), Mr. Kwok Kendrick Wing-kay (alternate director to Dr. Kwok Chi Piu Bill) and Mr. Kwok Gareth Wing-sien (alternate director to Mr. Kwok Chi Yat).