LIFESTYLE CHINA GROUP LIMITED
利福中國集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2136)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

HIGHLIGHTS

- Revenue increased 0.8% to RMB623 million
- Profit attributable to owners of the Company amounted to RMB16.7 million
  (2025: loss of RMB3.7 million, including one-off compensation expense of RMB9.6 million)
- Earnings per share amounted to RMB0.011
  (2025: losses per share of RMB0.003)
- No interim dividend has been declared by the Board

INTERIM RESULTS

The board of directors ("Board") of Lifestyle China Group Limited ("Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, "Group") for the six months ended 30 June 2026, together with comparative figures for the corresponding period in 2025, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	***RMB'000***	*RMB'000*
Revenue	*3*	**622,969**	617,766
Cost of sales		**(300,069)**	(289,981)
Gross profit		**322,900**	327,785
Other income, gains and losses		**93,053**	88,632
Selling and distribution costs		**(270,222)**	(268,587)
Administrative expenses		**(116,997)**	(128,900)
Interest and investment income	*4*	**23,401**	26,638
Share of profit of a joint venture		**19,542**	18,508
Share of profits of associates		**120,072**	135,195
Finance costs	*5*	**(79,767)**	(82,240)
Profit before taxation		**111,982**	117,031
Taxation	*6*	**(28,067)**	(44,955)
Profit for the period	*7*	**83,915**	72,076
Other comprehensive loss			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operation		**(25)**	(41)
Other comprehensive loss for the period, net of tax		**(25)**	(41)
Total comprehensive income for the period		**83,890**	72,035
Profit/(loss) for the period attributable to:			
Owners of the Company		**16,706**	(3,730)
Non-controlling interests		**67,209**	75,806
		83,915	72,076
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**16,681**	(3,771)
Non-controlling interests		**67,209**	75,806
		83,890	72,035
		RMB	*RMB*
Earnings/(losses) per share attributable to owners of the Company			
- Basic and diluted	*9*	**0.011**	(0.003)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2026

	Notes	**30 June 2026 (Unaudited)** *RMB'000*	31 December 2025 (Audited) *RMB'000*
Non-current assets			
Property, plant and equipment		**4,537,368**	4,655,197
Right-of-use assets		**3,210,551**	3,282,435
Investment property		**1,153,908**	1,169,299
Investments in associates		**3,948,741**	3,828,669
Investment in a joint venture		**388,492**	386,309
Deferred tax assets		**35,703**	37,570
Other receivables	*10*	**12,549**	18,951
Bank deposits		**442,740**	472,100
		13,730,052	13,850,530
Current assets			
Inventories		**83,429**	89,350
Trade and other receivables	*10*	**115,834**	148,098
Amounts due from associates		**57,738**	57,738
Structured bank deposits		**503,400**	541,700
Cash and bank balances		**1,656,620**	2,150,752
		2,417,021	2,987,638
Current liabilities			
Trade and other payables	*11*	**738,462**	875,607
Amount due to a joint venture		**18,415**	32,864
Amount due to a non-controlling shareholder of subsidiaries		**26,142**	26,142
Tax payable		**10,892**	16,858
Bank borrowings – due within one year		**90,000**	80,000
Lease liabilities		**54,838**	54,159
Contract liabilities		**10,875**	11,697
		949,624	1,097,327
Net current assets		**1,467,397**	1,890,311

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
AT 30 JUNE 2026

	30 June 2026	31December 2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Non-current liabilities		
Bank borrowings – due after one year	**3,048,000**	3,098,000
Lease liabilities	**1,432,664**	1,460,423
Deferred tax liabilities	**82,299**	82,800
	4,562,963	4,641,223
	10,634,486	11,099,618
Capital and reserves		
Share capital	**6,291**	6,291
Reserves	**8,807,615**	9,339,956
Equity attributable to owners of the Company	**8,813,906**	9,346,247
Non-controlling interests	**1,820,580**	1,753,371
	10,634,486	11,099,618

NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. BASIS OF PREPARATION

The interim financial information for the six months ended 30 June 2026 ("interim financial information") has been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting".

2. PRINCIPAL ACCOUNTING POLICIES

The interim financial information has been prepared on a historical cost basis, except for the structured bank deposits, which are measured at fair value. The preparation of interim financial information in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates, which are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2025.

The accounting policies and methods of computation used in the preparation of the interim financial information are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2025, except for the amendments to HKFRS Accounting Standards that are mandatorily effective for the current period as disclosed below.

The Group has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current period:

Standards	Key requirements
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity

The application of the amendments to HKFRS Accounting Standards in the current period has had no material impact on the Group's financial performance and position for the current and prior period and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the amount received and receivable for goods sold by the Group to customers, net of discounts and sales related taxes, income from concessionaire sales, service income and rental income during the period, and is analysed as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Recognised at a point in time:		
Sales of goods - direct sales	**268,669**	262,183
Recognised over time:		
Income from concessionaire sales	**179,896**	186,699
Service income	**16,254**	20,198
Revenue from contracts with customers	**464,819**	469,080
Rental income	**158,150**	148,686
Total revenue	**622,969**	617,766

All the above revenue is derived in Chinese Mainland.

Segment information

The Group's operating activities are attributable to a single operating segment under HKFRS 8 "Operating Segments" focusing on operation of department stores, retailing and related business as well as property investment in Chinese Mainland. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRS Accounting Standards, that are regularly reviewed by the chief operating decision maker ("CODM") (i.e. the chief executive of the Company). The CODM regularly reviews revenue analysis and profit for the period of the Group as a whole to make decisions about resource allocation. Accordingly, no separate segment information other than entity-wide information is presented.

The Group's operations and non-current assets are located in Chinese Mainland. The Group has no customers that contributed over 10% of the total revenue of the Group for both periods.

4. INTEREST AND INVESTMENT INCOME

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Interest income on bank deposits	**16,744**	20,466
Investment income from structured bank deposits	**6,657**	6,172
	23,401	26,638

5. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Interests expenses on:		
- Bank borrowings	**47,214**	48,581
- Lease liabilities	**32,553**	33,659
	79,767	82,240

6. TAXATION

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
The tax charge comprises:		
Current tax:		
China Enterprise Income Tax	**22,757**	24,044
Withholding tax	**5,132**	14,006
Deferred tax charge	**178**	6,905
	28,067	44,955

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rates of the Chinese Mainland subsidiaries are 25% for both periods.

7. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Profit for the period has been arrived at after charging/(crediting):		
Staff costs	**96,276**	98,721
Depreciation of property, plant and equipment	**118,999**	116,525
Depreciation of investment property	**15,391**	15,391
Depreciation of right-of-use assets	**71,884**	71,885
Provision for/(reversal of) loss allowance on expected credit losses for trade receivables and lease receivables	**22**	(719)
Expenses related to variable lease payments	**16,787**	14,905
Cost of inventories recognised as expense	**241,123**	230,196

8. DIVIDEND

A special cash dividend of HK$0.42 per share, which amounted to a total of HK$615 million (equivalent to approximately RMB549 million), was declared and paid by the Company on 21 January 2026 and 24 February 2026 respectively, and the Board has resolved not to declare an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

9. EARNINGS/(LOSSES) PER SHARE

The calculation of the basic earnings/(losses) per share attributable to owners of the Company is based on the following data:

	Six month ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Earnings/(losses)		
Profit/(loss) for the period attributable to owners of the Company	**16,706**	(3,730)

	30 June	30 June
	2026	2025
	(Unaudited)	(Unaudited)
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares	**1,464,449**	1,464,449

The diluted earnings/(losses) per share for the six months period ended 30 June 2026 equals to the basic earnings/(losses) per share as there were no potential dilutive ordinary shares to issue during the period (2025: Same).

10. TRADE AND OTHER RECEIVABLES

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Trade receivables	**6,473**	21,574
Lease receivables	**54,745**	58,610
	61,218	80,184
Less: Loss allowance on expected credit losses	**(8,706)**	(8,684)
	52,512	71,500
Prepayments	**214**	291
Deposits paid	**4,304**	4,329
Value Added Tax ("VAT") receivable	**30,788**	42,557
Others	**62,818**	70,625
	98,124	117,802
Less: Loss allowance on expected credit losses	**(22,253)**	(22,253)
	75,871	95,549
	128,383	167,049
Less: Non-current portion	**(12,549)**	(18,951)
	115,834	148,098

The Group's retail sales to customers are mainly made in cash and through debit card or third-party payment platform. Its major trade receivables arising from sales through third-party payment platform are normally settled in one to two business days and lease receivables are normally settled 30 days in arrears. The following is an aged analysis of trade and lease receivables net of allowance for expected credit losses, if any, at the end of the reporting period presented based on invoice date:

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
0 – 30 days	**40,944**	58,572
31 – 60 days	**4,962**	5,585
61 – 90 days	**1,696**	1,725
Over 90 days	**4,910**	5,618
	52,512	71,500

11. TRADE AND OTHER PAYABLES

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Trade payables	**33,777**	45,644
Construction payables	**1,322**	5,630
Concessionaire sales payables	**300,358**	379,418
Refundable prepaid card deposits	**101,117**	105,742
Rental deposits received	**227,666**	233,335
Accrued expenses	**29,160**	49,746
VAT payable	**1,572**	5,381
Others	**43,490**	50,711
	738,462	875,607

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
0 – 30 days	**26,980**	41,226
31 – 60 days	**3,469**	980
61 – 90 days	**413**	291
Over 90 days	**2,915**	3,147
	33,777	45,644

The average credit period of trade payables and concessionaire sales payables is within 45 days from invoice date. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

MANAGEMENT DISCISSION AND ANALYSIS

Market Overview

In the first half of 2026, the global economic recovery was moderate, and the external operating environment remained uncertain. Supported by macroeconomic policies, China's economy maintained an overall stable operation, with its Gross Domestic Product (GDP) increasing 4.7% year-on-year. China's total retail sales of consumer goods amounted to RMB24.9 trillion, representing a year-on-year increase of 1.3%. The road to recovery of domestic demand is steadily advancing.

During the period, the Chinese government continued to implement a series of policies and measures to expand domestic demand and promote consumption, focusing on key areas such as trade-in programs, service consumption upgrades and the revitalization of cultural and tourism consumption. Local governments have also actively launched diverse forms of consumption promotion activities to further stimulate market vitality and unleash consumption potential. Shanghai continued to promote diversified themed consumption-boosting activities and commercial scene innovation, further invigorating the regional commercial atmosphere. The Group promptly capitalized on policy opportunities and actively organized attractive themed marketing events to attract customers, thereby stabilizing customer traffic and improving overall operating performance.

Meanwhile, consumers' demands for product quality, consumption experience, personalization and sustainable development continued to rise, driving the accelerated upgrade of retail and business models. Faced with competitive and challenging market environment, the Group continuously optimized its tenant mix and brand portfolio, deepened the integration of online-to-offline, provided precision marketing for members, and enhanced customers' experience of a quality living via an increasingly improved shopping environment and organizing diversified promotional activities, further demonstrating its adaptability and proactive stance in a volatile market.

Financial Review

In the first half of 2026, facing challenges such as intensifying competition in the consumer market and industry, the Group fully leveraged the reputation for quality associated with "Jiuguang" in the market and continued to implement various operational optimization measures. Through organizing a variety of themed promotional activities, the Group managed to deepen the synergistic effects among various business formats within its premises, continuously upgrade its membership benefits system, constantly optimize its merchandising mix and brand portfolios, and actively introduce premium new merchants. During the period, the Group recorded steady growth in its revenue and saw its overall operating performance continued to improve.

Revenue and Sales Proceeds

During the period, driven by 3.1% and 10.8% growth in whole store sales proceeds of Shanghai Jiuguang and Shanghai Jiuguang Center respectively, the Group's overall whole store sales proceeds increased by 5.2% to RMB2,847.5 million. The growth was primarily attributable to the Group's proactive seizing of policy opportunities and continuous dynamic adjustments in response to market demand, resulting in a steady upward trend in overall operating performance. During the period, revenue increased by 0.8% to RMB623.0 million (2025: RMB617.8 million), mainly a result of the combined effect of increase in rental income from the office towers and shopping mall of the Shanghai Jiuguang Center by 30.9% and 5.7% respectively, and a decrease in commission income from concessionaire sales of 3.6%.

Gross Profit and Concessionaire Rate

During the period, impacted by the intensifying competition in the consumer market and the industry, the Group's gross profit fell by 1.5% to RMB322.9 million (2025: RMB327.8 million). Gross profit margin as a percentage of revenue decreased by 1.2 percent points to approximately 51.8%, whereas the margin decreased to 22.2% from 23.4% same period last year when measured as a percentage of total sales proceeds. During the period, the Group's average concessionaire rate decreased to 18.4% from 18.8% in the first half of 2025.

Net Profit Attributable to Shareholders

During the period, net profit attributable to shareholders of the Company amounted to RMB16.7 million (2025: loss of RMB3.7 million), primarily due to (i) absence of the RMB9.6 million one-off compensation payment last year; and (ii) decrease in exchange loss from HKD and USD cash balance from RMB12.3 million last year to RMB7.7 million, but the profits was partially offset by the decrease in gross profit and the Group's share of profit (net of attributable non-controlling interests) in its associate, the Beiren Group. Meanwhile, the Group recorded operating loss before tax and share of profits from associates and a joint venture of RMB27.6 million (2025: RMB36.7 million).

Selling and Distribution Costs

The Group's selling and distribution costs for the period remained stable at approximately RMB270.2 million, represented 18.6% of the Group's total sales proceeds, a decrease from 19.2% in the same period of 2025.

Administrative Expenses

The Group's general administrative expenses decreased by 9.2% year-on-year to RMB117.0 million from RMB128.9 million in the first half of 2025, primarily due to the absence of the RMB9.6 million one-off compensation payment as mentioned above. Meanwhile, other general administrative expenses remained stable.

Staff Costs

Staff costs for the period, excluding directors' remuneration, decreased by 2.5% year-on-year to RMB96.3 million from RMB98.7 million in the first half of 2025, primarily due to decrease in staff number. As of 30 June 2026, the Group employed a total of 975 full-time staff, compared to 1,056 as of 30 June 2025.

Other Income, Gains and Losses

Other income, gains and losses, which primarily comprise management fees from concessionaire counters and tenants, fees from third-party payment platforms and other miscellaneous income, and exchange losses, amounted to RMB93.1 million for the period, a year-on-year increase of 5.0%. The increase was primarily attributable to a smaller exchange loss.

Interest and Investment Income

During the period, the Group's interest and investment income decreased by 12.2% year-on-year to RMB23.4 million, primarily attributable to a decrease in the Group's HKD deposits during the period following payment of the special dividend in February.

Finance Costs

The Group's finance costs comprise primarily interest on bank borrowings and lease liabilities. Total finance costs for the period decreased by 3.0% to RMB79.8 million (2025: RMB82.2 million), of which RMB47.2 million (2025: RMB48.6 million) was bank loan interest and RMB32.6 million (2025: RMB33.6 million) was interest on lease liabilities.

Liquidity and Financial Resources

The Group's adjusted earnings before interest, taxes, depreciation, amortization, exchange losses, interest and investment income, share of profit of a joint venture and share of profits of associates, and deducting fixed rental payments in respect of leases accounted for under HKFRS 16 ("Adjusted EBITDA") for the period increased by 4.4% to RMB183.1 million from RMB175.4 million in the first half of 2025. The increase was mainly attributable to a decrease in administrative expenses during the period.

Adjusted EBITDA is calculated as follow:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Profit before taxation	111,982	117,031
Add/(less):		
Depreciation and amortization	206,274	203,801
Exchange losses	7,700	12,282
Interest and investment income	(23,401)	(26,638)
Finance costs	79,767	82,240
Share of profits of associates	(120,072)	(135,195)
Share of profit of a joint venture	(19,542)	(18,508)
Fixed rental payments in respect of leases accounted for under HKFRS 16	(59,633)	(59,633)
Adjusted EBITDA	183,075	175,380

As of 30 June 2026, the Group's net debt (defined as cash and bank balances, bank deposits, structured bank deposits, and amounts due from associates, less total bank borrowings, amounts due to a non-controlling shareholder of subsidiaries, and amounts due to a joint venture) increased to approximately RMB522.1 million from approximately RMB14.7 million as of 31 December 2025, primarily due to a decrease in the Group's cash and bank balances following payment of the special cash dividend during the period.

As of 30 June 2026, the Group's cash and bank balances, bank deposits and structured bank deposits amounted to approximately RMB2,602.8 million (31 December 2025: RMB3,164.6 million), of which RMB45.3 million were in HKD and RMB kept in Hong Kong. The remaining cash balance was kept in Chinese Mainland, of which approximately 98.9% was denominated in RMB and remaining 1.1% was denominated in US Dollars. At the end of the period, the Group's gearing ratio, defined as bank borrowings divided by equity attributable to owners of the Company, slightly increased to 35.6% from 34.0% at the end of 2025.

Foreign Exchange Management

The functional currency of the Company and its subsidiaries in China is RMB, in which majority of the Group's transactions are denominated. As described in the "Liquidity and Financial Resources" section above, a small portion of the Group's monetary assets are in foreign currencies (HKD and United States dollars). Given that majority of the Group's revenue and expenses, as well as borrowings and capital expenditures are denominated in RMB, and the HKD cash balance held in Hong Kong is used to settle operating expenses incurred outside of Chinese Mainland, the Group currently does not require a comprehensive foreign currency hedging policy. Nevertheless, the management will monitor the Group's foreign currency exposure and, if necessary, will consider taking appropriate measures to mitigate any significant potential foreign currency risk.

Pledge of Assets

As of 30 June 2026, the Group has pledged certain of its assets located in Chines Mainland, comprising (i) properties, plant, equipment with carrying amount of approximately RMB3,271 million (31 December 2025: RMB3,325 million); and (ii) right-of-use assets with carrying amount of approximately RMB1,442 million (31 December 2025: RMB1,467 million), for securing bank loan facility extended to the Group in the amount of RMB3,300 million (31 December 2025: RMB3,300 million). The outstanding loan amount of this facility as of 30 June 2026 was RMB3,138 million (31 December 2025: RMB3,178 million).

Contingent Liabilities

As of 30 June 2026, the Group had no material contingent liabilities.

Significant Investment, Material Acquisitions and Disposals

During the period, the Group did not make any significant investment, nor were there any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Review of Operations

In the first half of 2026, driven by factors such as a moderate recovery of the macroeconomy, ongoing consumer stimulus policies, and a gradual improvement in market confidence, the Chinese Mainland consumer market as a whole showed a moderate recovery trend. At the same time, consumers' demands for brand value, product quality, emotional value experience in shopping, and personalized services continue to rise. Online and offline consumption scenarios are further integrated, and the retail and department store businesses continued to develop towards scenario-based, refined, and digital directions.

In response to changes in the market environment, the Group closely followed consumer trends, actively optimized its operating strategies, proactively adjusted its merchandise and brand portfolio, and deepened the synergistic effects among various business formats within its premises, so as to enhance the overall attractiveness of its shopping malls, customer footfall, and repeat purchase rate. During the period, the Group's revenue recorded a steady increase, which also reflected the initial effectiveness of the strategies adopted by the Group in areas such as optimization of product portfolio, introduction of brands, thematic marketing, member management, and enhancement of operational efficiency.

Shanghai Jiuguang Center ("JGC")

JGC, located in the core business district of Daning, Jing'an District, Shanghai, is the Group's flagship integrated commercial complex, harmoniously blending shopping, leisure, entertainment and business functions under one roof. It is composed of a seven-storey retail complex and two office towers, and enjoys a prime location near a metro station. JGC continues to play an important role in the Group's overall business, not only expanding the Jiuguang brand effect but also driving retail market performance, thereby further consolidating the Group's business foundation and brand influence.

During the period, JGC further enriched customer experience and stimulated consumer sentiment through launching diverse, highly interactive themed events and immersive experiences. In response to the integrated development trend of "consumption + culture", during the Chinese New Year, JGC collaborated with multiple high-quality brands to create a series of Chinese New Year events, including the "Galloping Amidst Flowers, Pursuing Dreams at Jiuguang" new year flower art exhibition, the "Sweet Dreams" inspiration pop-up event, the "10th Anniversary Charity Exhibition of the Mismatched Socks Campaign", and "Pingu's Polar Microcosm". These events offered the public a Chinese New Year experience combining aesthetic value, interactive fun and emotional resonance, becoming a Chinese New Year hotspot full of artistic atmosphere and warmth. During International Women's Day, JGC hosted events such as the "Exclusive Fragrance Tasting Event", the Goddess Charity Cycling Program, and the "Queen and Cat" Women and Pet Photography Salon. During the 5 • 5 Shopping Festival, it meticulously created the "Chibi Maruko-chan Dreamland", an immersive and fun-filled exhibition that created a healing space for children and adults alike, successfully attracting numerous visitors and young consumers, and effectively boosting traffic footfall and sales performance.

In the first half of 2026, whole store sales proceeds of JGC increased by approximately 10.8% year-on-year to RMB1,009.9 million, and rental income from the office towers increased by 30.9% to RMB25.3 million, resulting in a year-on-year increase in its revenue by approximately 8.7% to RMB174.6 million. Through organizing themed customer-centric events, JGC continuously optimized its business formats to meet experiential consumption demands. Average daily footfall increased by 5.6% year-on-year to approximately 35,400 visitors, the stay-and-buy ratio increased by 2.6 percentage points to 88.5%, and the average ticket size increased to RMB178 from RMB175 in the previous year, indicating a gradual improvement in consumer sentiment.

At the end of the period, the occupancy rates (including signing rate) of the East Tower and West Tower of JGC were 75% and 6% respectively, generating rental income of approximately RMB25.3 million for the Group, with tenants spanning logistics, professional services, and e-commerce sectors.

Shanghai Jiuguang

Shanghai Jiuguang primarily provides "lifestyle" department store retail services, bringing together a diverse brand portfolio covering fashion apparel, beauty and personal care, accessible luxury goods, and lifestyle-related categories, committed to offering customers a one-stop shopping experience.

Shanghai Jiuguang continuously adjusting its merchandise mix and marketing strategies in response to changes in market conditions and consumer preferences, while leveraging festive promotions, member benefits, and thematic events to boost customer visitation intent and consumption conversion. Despite the overall retail environment still facing challenges, Shanghai Jiuguang, by virtue of its location advantage of being situated in a prime commercial district, well-known brand positioning, and stable customer base, continued to record steady growth in its overall performance as well as playing an important part in the development of the Group's retail business.

During the period, Shanghai Jiuguang focused on introducing international beauty brands, themed experiences, and new technology scenarios to enhance the store's brand appeal and customers' experience. Specifically, in April, the "First British Beauty Festival 2026" was held at the plaza outside of the store, with "British Bloom Garden" as the theme, the event created an immersive retail pop-up store and a static slope garden exhibition. During the May Day holiday, Shanghai Jiuguang, in collaboration with over 400 brand tenants across the store, organized the "5 • 5 Shopping Festival · Beauty Festival", offering consumers a wide array of promotional benefits to stimulate and drive consumption. In addition, in response to the integrated development of "consumption + technology", at the end of May, Shanghai Jiuguang successfully introduced and established the first "Unitree Robotics Experience Center" in Asia, a significant new landmark for technology consumption, bringing cutting-edge humanoid robot technology into mass commercial districts for the public to experience future technology up close while enjoying leisure and shopping.

In the first half of 2026, affected by increasing competition from other retail channels and retailing offers within the same community, the average daily footfall at Shanghai Jiuguang dropped slightly by 1.0% to 42,200 visitors, with the stay-and-buy ratio falling 1.6 percentage points to 35.2%. Meanwhile, the average ticket size increased by 9.0% to RMB499, driving up the total whole store sales proceeds by 3.1% to reach RMB1,340.4 million. Amid retailing competition, the average concessionaire rate decreased by 0.3 percentage point to approximately 21.3%.

Suzhou Jiuguang

Suzhou Jiuguang positioning itself as a destination for family-oriented quality living and shopping, offers an integrated lifestyle-oriented shopping venue with merchandizes including jewelry and watches, cosmetics, fashion apparel, and education, training, culture and sports.

The year 2026 marked the 16th anniversary of Suzhou Jiuguang. During the Spring Festival period, it launched anniversary parties, cake sharing sessions, balloon drops, bubble parties, and snow-effect photo opportunities, alongside a Warm Winter Market featuring food tasting and surprise lucky draws, all of these aimed at enhancing the festive atmosphere and increasing customer dwell time. The series of handicraft activities under the "Intangible Cultural Heritage Workshop" held in February included lion dance lanterns, Year of the Horse pearl paintings, Song brocade and pearl handmade wind chimes, Year of the Horse foil paintings, and New Year bamboo woven ornaments. In May, Suzhou Jiuguang collaborated with Douyin to launch the "Douyin Heartbeat Brand Day" experiential event and by leveraging Douyin's extensive traffic support and comprehensive exposure resources, Suzhou Jiuguang not only transformed the shopping mall into an ideal destination that is "browsable, purchasable, and interactive," but also effectively attracted young consumer groups, achieving the goal of using online content to drive offline customer traffic to the mall.

Notwithstanding the various campaigns successfully boosted the average daily footfall up by approximately 3.7% year-on-year to approximately 16,700 visitors, the escalating local market competition weighed on the performance of the store that the whole store sales proceeds of the mall only managed to remain stable during the first half of 2026, while the average stay-and-buy ratio increased by approximately 12.8 percentage points year-on-year to approximately 46.5%. The average ticket size however tumbled approximately 34.8% year-on-year to approximately RMB353, with the average concessionaire rate remained at approximately 15.9%.

Dalian and Shenyang Property

The Group's commercial properties in Dalian and Shenyang remained vacant during the first half of 2026, incurring total cash outflows of approximately RMB9.4 million for upkeeping and maintenance.

Investments in Associates

The Group holds a strategic equity stake in Beiren Group, a leading retail conglomerate based in Shijiazhuang City, Hebei Province, China. Amid a limited recovery in the overall consumer environment and the continuous rising operating costs, Beiren Group's performance came under pressure, with sales from its core department store and supermarket businesses saw a decline of 4.3% and 3.7%, respectively. Nevertheless, benefiting from an increase in sales of the jewelry and outlet segments by 11.7% and 7.4%, respectively, Beiren Group's overall sales for the period recorded only a slight decrease. To stimulate consumption amid ongoing cost inflation, the overall gross profit margin dropped during the period, leading to a reduction in gross profit. Moreover, affected also by a decrease in its bank interest income, the Group's share of Beiren Group's net profit for the period (net of attributable non-controlling interests) decreased by 11.4% year-on-year.

Outlook and Plan

The global economy continues to be clouded by factors such as high interest rate environment, geopolitical uncertainties, and divergent growth paces among major economies, leaving the external business environment to remain volatile. Domestically, despite the overall macroeconomic environment maintaining a moderate recovery, a sustainable restoration of consumer confidence and domestic demand momentum still requires time while competition in the retail industry continue to intensify. It is expected that the Chinese government will continue to provide more policy support for the retailing market through proactive fiscal policies and prudent monetary policies, coupled with measures such as boosting consumption, expanding domestic demand, and promoting high-quality development. The Group will prudently assess market changes, flexibly seize opportunities arising from policy guidance and consumption upgrades, and continuously consolidate its market position in the department store and retail sectors.

Looking ahead, the Group will continue to adopt a prudent yet proactive operating strategy by leveraging its existing foundation, further enhancing attractiveness of its shopping venues, customer visitation intent, and consumption conversion rate, while steadily improving profitability and cash flow performance to maintain stable and sustainable development. At the same time, the Group will also adopt a prudent financial strategy, enhancing service standards through cost optimization and revenue expansion, and leveraging new technologies to improve operational efficiency.

The year 2026 saw Shanghai's consumption exhibited a diversified and distinctive development pattern, with various cross-sector and integrated new business formats emerging, breaking the traditional consumption boundaries and reshaping urban consumption scenarios. Phenomenal consumption hotspots such as "consumption + technology", "consumption + culture", "consumption + sports", and "consumption + gastronomy" have continued to gain traction. The Group will actively integrate itself into the new development landscape and continue to leverage its good reputation and market recognition of the Jiuguang brand in the retail market to create consumption scenarios tailored to different themes, thereby consolidating its market position and maintaining its core competitiveness.

The Group will further review and optimize its tenant and merchandise mix, introducing brands that are more topical, lifestyle-oriented, and youth-focused in line with market trends and customer demand, and strengthening resource allocation to key categories and high-potential brands. Through spatial beautification, traffic flow optimization and scene creation, the Group aims to improve customer experience and dwell time, and further enhance the overall sales performance and customer experience by increasing in-store synergy, enriching category tiers, and strengthening brand collaboration.

The Group will persist its efforts in deepening the development of its membership program, enhancing member engagement and loyalty through tiered operations, precise promotion, and exclusive privileges. By leveraging member data analysis and customer behavior insights, the Group will be able to identify consumption preferences more effectively and provide more targeted recommendations and promotional arrangements, so as to strengthen customer stickiness and increase repurchase rates and conversion opportunities.

The Group will continue to drive its digital and intelligent transformation, strengthen the development of integrating online and offline channels, and optimize synergies across its membership platform, mini-programs, and social media channels. By leveraging artificial intelligence and big data analytics, the Group will further enhance the efficiency in customer traffic management, marketing promotions, inventory allocation, and supply chain coordination, thereby improving its overall operational effectiveness and management standards.

The Group will, as always, uphold the concept of sustainable development, continuously promote energy saving and emission reduction, resource optimization, and environmentally friendly operational measures, and actively align with green consumption and low-carbon transition directions. Going forward, the Group will continue to collaborate with its tenants and business partners to advance green operational practices, striving to create retail spaces that are more socially responsible and embody sustainable development principles.

Looking ahead, the Group will continue to prudently respond to external uncertainties, adjust its business strategies in a timely and measured manner, and leverage the core strengths of the Jiuguang brand, continuously improving operational capabilities, and digital development direction to steadily advancing its department store and retailing business, striving to create long-term and sustainable value for shareholders.

EMPLOYEES

As at 30 June 2026, the Group employed a total of 975 employees, with 969 stationed in the Chinese Mainland and 6 in Hong Kong. Staff costs (excluding directors' emoluments) amounted to RMB96.3 million (2025: RMB98.7 million) for the six months ended 30 June 2026. The Group ensures that the pay levels of its employees are competitive and in line with the market trend and its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

INTERIM DIVIDEND

The Company distributed a cash special dividend of HK$0.42 per share during the period and the Board has resolved not to declare an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions in the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the six months ended 30 June 2026, except the following deviation:

The roles of the Chairman and Chief Executive Officer are not segregated but such arrangement helps to facilitate development and execution of the Group's business strategies and enhances efficiency and effectiveness of its operations.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the six months ended 30 June 2026.

REVIEW OF INTERIM RESULTS

The Group's unaudited interim results for the six months ended 30 June 2026 have been reviewed by the audit committee of the Company. The Group's interim financial information has been reviewed by the auditor of the Company in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the HKICPA. An unmodified review report is included in the interim report to be sent to shareholders.

On behalf of the Board
Lifestyle China Group Limited
Lau Luen Hung, Thomas
Chairman

Hong Kong, 20 August 2026

As at the date of this announcement, the Board comprises Mr. Lau Luen Hung, Thomas, Mr. Lau Kam Sen and Ms. Lau Kam Shim as executive directors; and Ms. Chan Chor Ling, Amy, Ms. Cheung Mei Han, Mr. Cheung Yuet Man, Raymond and Mr. Lam Kwong Wai as independent non-executive directors.