High Fashion International Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 608)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

CHAIRMAN'S STATEMENT

In the first half of 2026, the global economic and trade environment remained complex and volatile. The uncertainties surrounding trade policies and tariffs, together with the exchange rate pressure arising from the appreciation of the Renminbi, posed challenges to the Group's operating environment and had certain impacts on its profitability during the period. Facing changes in the macroeconomic environment, the Group continued to maintain a high level of vigilance, respond prudently and proactively capture opportunities. The overall business performance remained stable, and the Group remains confident in achieving steady and sustainable development in the future.

Our key results for the period ended 30 June 2026 are as follows:

- Net profit attributable to shareholders at HK$16.7 million
- Gearing ratio of non-current liabilities to shareholders' fund at 41.8%. Current ratio at 1.2
- Basic earnings per share landed at HK$0.05
- Net asset value per share amounted to HK$10.89
- Interim dividend per share is HK$0.025

The Group will devote its full efforts to market expansion and business development, while continuing to uphold its core vision of "Leading Fashion Trends" and striving to build a world-leading one-stop integrated fashion platform. We will continue to deepen our global market presence. While consolidating our core markets in Europe and the United States and strengthening relationships with existing customers, we will further expand our presence in the China market and actively explore Japan, Australia and other markets with strong growth potential. At the same time, we will seek to establish deeper and longer-term relationships with our strategic partners. The Group will remain closely attuned to global fashion trends and evolving consumer needs, while fully leveraging its one-stop integrated service capabilities to create greater value for customers and drive high-quality and sustainable business growth.

Leading fashion trends must be underpinned by in-depth market insight, continuous technological innovation and outstanding products. Over the years, the Group has continued to invest in materials technology, process innovation and product R&D, and has fully leveraged its integrated capabilities spanning yarn, fabric, dyeing and printing, finishing and garment manufacturing, gradually building a product innovation platform that integrates creativity, technology and manufacturing. During the period, we further advanced the R&D and application of SILKOLOGY® machine-washable silk, INNOCELL® circular material solutions and DYEVERSE™ waterless dyeing technology, while continuing to develop functional and high-performance fabrics, innovative knitting technologies and athleisure products. By translating our understanding of fashion trends and consumer needs into differentiated products that combine design aesthetics, comfort and performance, reliable quality and commercial value, we continue to strengthen the Group's competitiveness in areas such as premium womenswear, athleisure and functional daily apparel.

Sustainability has become an important focus for the Group's product innovation and technological development. We continue to integrate recycled and bio-based materials, water-saving and low-impact dyeing, eco-friendly finishing, product traceability and circular design concepts into product development and production processes, using technological innovation to enhance product performance and durability while reducing resource consumption and environmental impact. By progressively building a one-stop sustainable solution spanning design, materials, fabrics, garments and recycling and reuse, the Group not only supports clients achieve their sustainability goals, but also further strengthens product value, client trust and long-term competitive advantage.

To support global market expansion and clients' demand for flexible and diversified supply chains, the Group will continue to deepen the synergistic positioning of China, Cambodia and Vietnam. With China as the core and Cambodia and Vietnam as important pillars, the Group will further enhance cross-regional collaboration, rapid response and multi-location delivery capabilities, building a more resilient global supply chain to support continued business growth.

Artificial intelligence is rapidly reshaping the fashion industry. The Group is committed to driving the deeper integration of artificial intelligence across its entire business processes, from product innovation and business operations to management decision-making, continuing to explore broader and advanced applications, thereby enhancing operational efficiency and organisational capability, and shaping and continuously strengthening the Group's competitive advantage.

Our properties each serve a purpose that connects back to our core business: building on silk heritage and cultural tourism, incubating fashion and technology, and acting as the international gateway for fashion and business. Their distinct positioning earned the portfolio traction in a subdued market, with segment revenue doubling during the period. With the final building scheduled for completion by early next year, this lays a solid foundation for future growth.

Looking ahead to the second half of 2026, the global economic and trade environment will remain complex and volatile, with both opportunities and challenges coexisting. While we cannot control external changes in the external environment, we can take charge of our own development through clear direction, continuous innovation and disciplined execution. The Group will remain prudent yet progressive, firmly advancing towards its vision of "Leading Fashion Trends, Building a Globally Leading One-Stop Integrated Fashion Platform", driving high-quality and sustainable profit growth, and creating long-term value for shareholders.

Lastly, on behalf of the Board, I would like to express my sincere gratitude to all shareholders, clients, business partners and the community for their trust and support of the Group. I would also like to extend my heartfelt appreciation to all staff for their efforts and contributions during the period. Looking ahead, we will continue to move forward together with determination, working collectively to drive the Group's long-term, steady and sustainable development.

RESULTS

The Board of Directors (the "Board") of High Fashion International Limited ("High Fashion" or the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2026 together with the comparative figures.

Unaudited 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	***HK$'000***	*HK$'000*
REVENUE			
Goods and services		**1,572,307**	1,477,516
Rental		**36,001**	30,276
TOTAL REVENUE	*3*	**1,608,308**	1,507,792
Cost of sales and services		**(1,319,599)**	(1,219,480)
Gross profit		**288,709**	288,312
Other income		**8,661**	8,641
Other gains and losses, net	*4*	**27,152**	33,608
Impairment losses under expected credit loss model, net of reversal		**1,641**	697
Administrative expenses		**(164,525)**	(145,556)
Selling and distribution expenses		**(117,197)**	(108,025)
Finance costs	*5*	**(29,906)**	(33,468)
PROFIT BEFORE TAXATION		**14,535**	44,209
Income tax credit (expenses)	*6*	**2,057**	(2,142)
PROFIT FOR THE PERIOD	*7*	**16,592**	42,067
OTHER COMPREHENSIVE INCOME (EXPENSE)			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation of financial statements to presentation currency		**78,169**	29,448
Revaluation of properties upon transfer from investment properties to property, plant and equipment		**-**	2,535
Income tax relating to items that will not be reclassified to profit or loss		**-**	(380)
		78,169	31,603
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**2,332**	1,131
Other comprehensive income for the period, net of tax		**80,501**	32,734
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**97,093**	74,801

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)
For the six months ended 30 June 2026

	Note	Six months ended 30 June **2026** (Unaudited) *HK$'000*	2025 (Unaudited) *HK$'000*
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		**16,706**	41,747
Non-controlling interests		**(114)**	320
		16,592	42,067
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		**97,207**	74,481
Non-controlling interests		**(114)**	320
		97,093	74,801
EARNINGS PER SHARE	*8*		
Basic		**HK$0.05**	HK$0.14
Diluted		**HK$0.05**	HK$0.14

Unaudited Condensed Consolidated Statement of Financial Position

At 30 June 2026

	Notes	At 30 June 2026 (Unaudited) HK$'000	At 31 December 2025 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**695,245**	686,203
Right-of-use assets		**79,631**	52,930
Investment properties		**3,543,134**	3,362,504
Interests in joint ventures		**7,552**	7,552
Interests in an associate		**23,046**	22,188
Equity instruments at fair value through other comprehensive income ("FVTOCI")		**588**	588
Deferred tax assets		**13,288**	12,582
Other non-current assets		**36,447**	35,988
Long-term bank deposits		**5,762**	5,547
		4,404,693	4,186,082
CURRENT ASSETS			
Inventories		**563,848**	530,763
Properties held for sale		**342,579**	387,637
Trade receivables	*10*	**656,363**	666,140
Deposits, prepayments and other receivables		**184,616**	230,191
Derivative financial instruments		**663**	1,322
Financial assets at fair value through profit or loss ("FVTPL")		**60,818**	74,451
Short-term bank deposits and balances		**167,188**	231,031
Cash and cash equivalents		**398,203**	368,387
		2,374,278	2,489,922
CURRENT LIABILITIES			
Trade payables	*11*	**857,018**	776,438
Other payables and accruals		**153,170**	178,925
Lease liabilities		**4,864**	1,778
Amount due to an associate		**-**	691
Contract liabilities		**164,246**	183,632
Tax payable		**22,574**	27,558
Derivative financial instruments		**956**	70
Bank borrowings		**844,560**	918,021
		2,047,388	2,087,113

Unaudited Condensed Consolidated Statement of Financial Position (Cont'd)
At 30 June 2026

	At 30 June 2026 (Unaudited) *HK$'000*	At 31 December 2025 (Audited) *HK$'000*
NET CURRENT ASSETS	**326,890**	402,809
TOTAL ASSETS LESS CURRENT LIABILITIES	**4,731,583**	4,588,891
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**347,712**	346,163
Bank borrowings	**930,154**	913,024
Lease liabilities	**32,384**	9,269
Provision for long service payments	**2,994**	2,994
Deferred income	**5,514**	5,485
Other liabilities	**83,273**	79,497
	1,402,031	1,356,432
NET ASSETS	**3,329,552**	3,232,459
CAPITAL AND RESERVES		
Share capital	**30,562**	30,562
Share premium and reserves	**3,323,620**	3,226,413
Equity attributable to owners of the Company	**3,354,182**	3,256,975
Non-controlling interests	**(24,630)**	(24,516)
TOTAL EQUITY	**3,329,552**	3,232,459

Notes to the Condensed Consolidated Financial Statements

1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in these condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

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

3. Revenue and Segment Information

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue from contracts with customers in respect of sales of garments, fabrics, accessories and properties recognised at a point in time under HKFRS 15	**1,572,307**	1,477,516
Rental income recognised under HKFRS 16	**36,001**	30,276
	1,608,308	1,507,792
Geographical markets for revenue from contracts with customers:		
China (including Mainland China and Hong Kong)	**881,280**	818,394
United States of America ("USA")	**227,761**	233,556
Europe	**169,657**	184,066
Others	**293,609**	241,500
	1,572,307	1,477,516

Set out below is the reconciliation of revenue from contracts with customers with the amounts disclosed in segment information:

For the six months ended 30 June 2026 (unaudited)

	Manufacturing and trading of garments and related products	**Property investment and development**
	HK$'000	***HK$'000***
Segment revenue	**1,547,706**	**60,602**
Less: rental income recognised under HKFRS 16	**-**	**(36,001)**
Revenue from contracts with customers	**1,547,706**	**24,601**

3. **Revenue and Segment Information (Cont'd)**

Disaggregation of revenue from contracts with customers (Cont'd)

For the six months ended 30 June 2025 (unaudited)

	Manufacturing and trading of garments and related products	Property investment and development
	HK$'000	*HK$'000*
Segment revenue	1,477,516	30,276
Less: rental income recognised under HKFRS 16	-	(30,276)
Revenue from contracts with customers	1,477,516	-

Segment information

The following is an analysis of the Group's revenue and results by reportable and operating segment.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Segment revenue		
- Manufacturing and trading of garments and related products	**1,547,706**	1,477,516
- Property investment and development	**60,602**	30,276
Revenue – external sales	**1,608,308**	1,507,792
Segment results		
- Manufacturing and trading of garments and related products	**35,932**	41,511
- Property investment and development	**(4,786)**	(843)
	31,146	40,668
Change in fair value of derivative financial instruments	**(969)**	3,641
Change in fair value of investment properties	**33,104**	28,969
Unallocated corporate overhead and other expenses	**(48,746)**	(29,069)
Profit before taxation	**14,535**	44,209

3. Revenue and Segment Information (Cont'd)

Segment information (Cont'd)

Segment profit represents the profit earned by each segment without the allocation of change in fair value of derivative financial instruments and investment properties, certain portion of the central administration costs and other expenses. This is the measure reported to the Group's executive directors, being the chief operating decision maker ("CODM"), for the purposes of resources allocation and performance assessment. Furthermore, as the assets and liabilities for operating segments are not provided to the CODM for the purposes of resources allocation and performance assessment, no segment assets and liabilities is presented accordingly.

4. Other Gains and Losses, Net

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Change in fair value of investment properties	**33,104**	28,969
Change in fair value of derivative financial instruments	**(969)**	3,641
Net foreign exchange (loss) gain	**(5,027)**	1,749
Gain (loss) on disposal of property, plant and equipment, net	**310**	(860)
Change in fair value of other financial assets at FVTPL	**(266)**	109
	27,152	33,608

5. Finance Costs

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interests on:		
Bank borrowings and overdrafts	**29,598**	35,752
Leases liabilities	**593**	159
Borrowings on discounted bills	**677**	393
Total borrowing costs	**30,868**	36,304
Less: amounts capitalized in the cost of qualifying assets	**(962)**	(2,836)
	29,906	33,468

6. Income Tax (Credit) Expenses

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax charge:		
Hong Kong	**1,181**	2,006
Mainland China	**140**	504
	1,321	2,510
(Over) under provision in prior periods:		
Hong Kong	**-**	(96)
Mainland China	**-**	31
Other jurisdictions	**27**	17
	27	(48)
Deferred taxation - current period	**(3,405)**	(320)
	(2,057)	2,142

7. Profit for the Period

Profit for the period has been arrived at after charging (crediting):

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**37,651**	35,033
Depreciation of right-of-use assets	**3,179**	3,019
Net allowance for inventory obsolescence (included in cost of sales)	**7,297**	536
Interest income	**(4,255)**	(4,462)

8. Earnings Per Share

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Earnings for the purpose of basic and diluted earnings per share attributable to owners of the Company	**16,706**	41,747
	Number of shares	Number of shares
	'000	'000
Number of ordinary shares for the purpose of basic and diluted earnings per share	**305,616**	305,616

The computation of diluted earnings per share for the six months ended 30 June 2026 and 2025 does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for shares.

9. Dividends

During the current interim period, a final dividend in respect of the year ended 31 December 2025 of HK$0.035 per share (six months ended 30 June 2025: no final dividend in respect of the year ended 31 December 2024) was declared to the shareholders and has been paid in cash on 10 July 2026.

The Board declared that an interim dividend of HK$0.025 per share for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$0.035 per share) will be paid to shareholders whose names appear in the register of members on 15 September 2026. This dividend was declared after the end of the reporting period, and therefore it has not been included as a liability in the condensed consolidated statement of financial position.

10. Trade Receivables

Trade receivables mainly comprise receivables from sales of garments and related products and renting of properties. Credit terms granted to the customers for garment and related products trading are mainly range from 30 to 90 days. Rentals are payable by tenants upon presentation of demand notes. No credit period is granted to tenants.

The aged analysis of the Group's trade receivables net of allowance for credit losses is presented based on the invoice date at the end of the reporting period, which approximates the respective revenue recognition dates.

	At 30 June 2026 (Unaudited)	At 31 December 2025 (Audited)
	HK$'000	*HK$'000*
Within 90 days	**565,307**	591,637
91 to 180 days	**75,152**	59,605
181 to 360 days	**14,121**	10,094
Over 360 days	**1,783**	4,804
	656,363	666,140

11. Trade Payables

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

	At 30 June 2026 (Unaudited)	At 31 December 2025 (Audited)
	HK$'000	*HK$'000*
Within 90 days	**477,813**	542,264
91 to 180 days	**58,594**	80,734
181 to 360 days	**57,209**	17,609
Over 360 days	**9,357**	14,862
	602,973	655,469
Accrued purchases	**254,045**	120,969
	857,018	776,438

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2026, the global economy remained in a phase where modest growth intersected with deeper structural adjustments. While inflationary pressures showed signs of easing in certain regions, frequent shifts in trade policies, exchange rate fluctuations driven by the appreciation of the RMB, and the continued regionalisation of supply chains kept the macro-outlook fraught with uncertainties. In response, the Group maintained its prudent operating approach and focused on strengthening internal management to navigate external volatility.

On the business development front, the Group sustained solid customer relationships and order books across its key markets in Europe, the United States, and the Asia-Pacific region. At the same time, we adjusted our sales strategies and resource allocation in line with evolving demand patterns in emerging economies. Our production base in Southeast Asia continued to play a pivotal role, enhancing overall capacity deployment flexibility and helping to mitigate the impact of trade policy changes in individual markets. Overall, the Group's regional footprint has become more diversified, reinforcing our operational stability.

Technology upgrading and digitalisation remain key areas of focus for the Group. During the period, we further integrated artificial intelligence and data analytics tools into production scheduling, quality control, and supply chain management. The tangible benefits of these systems are gradually emerging, contributing to improved decision-making speed and more efficient resource utilisation.

In terms of sustainable development, the Group has continued to advance the research, development and application of environmentally friendly materials. A number of our patented technologies, including SILKOLOGY® machine-washable silk, INNOCELL® recyclable materials and DYEVERSE™ waterless dyeing and printing technology, have entered the commercialization stage. We have maintained close collaboration with international brand customers, while market interest in and demand for innovative and sustainable products continue to grow, providing solid support for the Group's business.

The broader property market stayed under pressure, yet our defined positioning continued to draw quality tenants. In Xinchang, hotel, dining and retail operators took up space along the commercial street, strengthening the park's visitor draw. In Hangzhou, fashion and technology companies, together with academic institutions, continued to join the tenant mix, creating an ecosystem within the park for cross-pollination. In Hong Kong, we widened the target tenant base from local companies to businesses across Greater China, leveraging the city's role between the Mainland and international markets.

Looking ahead to the second half of the year, the external environment remains fraught with uncertainties. The Group will continue to operate with a philosophy that prioritises stability while remaining adaptable to change. We will closely monitor market developments, prudently manage risks, and stay alert to emerging opportunities arising from industry transformation, striving to maintain our competitive edge amid market fluctuations and deliver sustainable returns to our shareholders and stakeholders.

FINANCIAL REVIEW

In the first six months of 2026, High Fashion's revenue was HK$1,608.3 million (first six months of 2025: HK$1,507.8 million). Gross profit was HK$288.7 million, with a gross profit margin of 18.0% (first six months of 2025: HK$288.3 million and 19.1%). Group revenue increased by 6.7%. Margin narrowed as a stronger Renminbi, with raw material costs rising through the period. The Group continues to focus on standardized management, comprehensive cost control, and restructuring projects to enhance operational efficiency and improve production cost performance. The Group's profit for the first six months of 2026 was HK$16.6 million (first six months of 2025: HK$42.1 million).

Geographically, in the first six months of 2026, revenue from China was HK$917.3 million, accounting for 57.0% of total revenue (first six months of 2025: HK$848.7 million and 56.3%). Sales from the United States and European countries were HK$397.4 million, accounting for 24.7% of total revenue (first six months of 2025: HK$417.6 million and 27.7%). High Fashion's export sales to other regions, mainly Southeast Asian countries were HK$293.6 million, accounting for 18.3% of total revenue (first six months of 2025: HK$241.5 million and 16.0%).

Other net gains for the first six months of 2026 was HK$27.2 million (first six months of 2025: HK$33.6 million), mainly comprising a fair value increase from investment properties of HK$33.1 million (first six months of 2025: HK$29.0 million), offset in part by a net exchange loss of HK$5.0 million (first six months of 2025: gain of HK$1.7 million).

In the first six months of 2026, administrative expenses as a percentage of total revenue were 10.2% (first six months of 2025: 9.7%), while selling and distribution expenses as a percentage of total revenue were 7.3% (first six months of 2025: 7.2%). The administrative expenses was HK$164.5 million (first six months of 2025: HK$145.6 million), mainly due to the increase in the Group's salaries and remuneration costs proportionate to the increase in the Group's business turnover and legal cost incurred and provided in relation to the long-standing legal dispute as disclosed in the paragraph titled "Contingent Liabilities" of this announcement.

Finance costs decrease from HK$33.5 million in the first six months of 2025 to HK$29.9 million in the first six months of 2026, mainly due to reduced interest on bank loans and overdrafts.

For the first six months period ended for 2026, the basic earnings per share was HK$0.05 (first six months period ended for 2025: HK$0.14). As of 30 June 2026, the net asset value per share was approximately HK$10.89 (as at 31 December 2025: HK$10.58).

SEGMENT INFORMATION

The segment information for the six months ended 30 June 2026 is as follows:

	Revenue		Segment results	
	2026	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
By principal activities:				
Manufacturing and trading of garments and related products	**1,547,706**	1,477,516	**35,932**	41,511
Property investment and development	**60,602**	30,276	**(4,786)**	(843)
	1,608,308	1,507,792	**31,146**	40,668
By geographical segments:				
China	**917,281**	848,670	**8,339**	21,856
USA	**227,761**	233,556	**10,560**	12,701
Europe	**169,657**	184,066	**3,392**	2,371
Others	**293,609**	241,500	**8,855**	3,740
	1,608,308	1,507,792	**31,146**	40,668

Manufacturing and trading of garments and related products

Revenue from manufacturing and trading of garments and related products business for the first six months of 2026 was HK$1,547.7 million (first six months of 2025: HK$1,477.5 million). Profit in the first six months of 2026 was HK$35.9 million (first six months of 2025: HK$41.5 million).

High Fashion has incorporated various sustainability features into its product development and production design, gaining significant acclaim from clients both locally and internationally. We continue to enhance operational efficiency by optimizing business processes and advancing digital transformation, while remaining customer-centric and comprehensively strengthening customer value.

Property investment and development

Revenue from property investment and development business for the first six months of 2026 was HK$60.6 million (first six months of 2025: HK$30.3 million), comprising rental income of HK$36.0 million (first six months of 2025: HK$30.3 million) and property sales of HK$24.6 million (2025: nil).

Occupancy and tenant quality improved across the portfolio as each asset advanced its own positioning. The segment result reflects the initial operating costs of newly commissioned buildings and the associated leasing activities. The Group’s investment properties recorded a fair value increase of HK$33.1 million, underpinning long-term, stable returns.

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

In the face of increasingly stringent regulatory requirements and stakeholder expectations, the Group upholds its responsibility as an industry benchmark, maintaining close communication with customers, investors, partner institutions and employees to jointly share the Group's latest progress in climate action and sustainability strategies. For the Group, the value of sustainable development lies in transforming the concept into daily operations that are value-creating. To this end, the Group promotes industry synergy by uniting brand customers and technology partners to bring circular materials from experimentation to mass production, and to advance recycling and regeneration from concept to a systematic framework. This traceable and compliant supply chain solution not only comprehensively empowers customers' low-carbon transition but also contributes the Group's tangible strength to the global cause of carbon reduction. The Group will continue to implement quantifiable, concrete actions, steadily advancing green operations and firmly moving toward a sustainable future.

In response to the severe challenges in resource consumption and the ecological environment, the Group, on one hand, deepens its focus on green technology by optimizing product development from the raw material; on the other hand, it introduces intelligent production to enhance the efficiency of water and energy use. To date, the Group has secured patented technologies in areas such as circular fashion and waterless dyeing, substantially reducing water consumption and waste discharge. These achievements have also been certified by leading international authorities including SGS and OEKO-TEX®, underscoring the Group's leading position in green manufacturing.

The Group firmly believes that the long-term value of an enterprise lies in creating shared prosperity with its employees, communities and society. Guided by High Fashion's philosophy of "Put the Needs of Others before Your Own", the Group is committed internally to building high-performing teams. Through diversified training programs focusing on professional skills and cross-functional collaboration, it enhances the Group's operational resilience and sustainable competitive advantages. The Group is also dedicated to supporting the growth and well-being of every employee by fostering a culture of equality, respect, autonomy and trust, thereby laying a solid foundation for an inclusive workplace. By upholding the principles of equal opportunity, diversity and inclusion, the Group integrates anti-discrimination and anti-harassment practices throughout all stages of employment and daily management. These efforts are intended to enhance employees' sense of belonging, safeguard their physical and mental well-being, and strengthen team cohesion.

The Group has always integrated care for the community into its corporate development philosophy and regards giving back to society as an important foundation for its long-term growth. In terms of youth empowerment, the Group nurtures future talent for the textile and garment industry through the High Fashion Womenswear Institute, which combines theoretical learning with practical industry experience. It also organizes the "Little Migratory Birds" education program to inspire young students' interest in science and manufacturing and to cultivate the next generation of young leaders. During the year, the Group's volunteer team organized numerous volunteer activities to enhance social participation and community impact.

The Group adopts a zero-tolerance attitude toward fraud and corruption, establishing integrity as both our corporate culture and operational norm through robust institutional frameworks. Through regular compliance training, clear declaration of conflicts of interest, a comprehensive Code of Integrity and diversified whistleblowing channels, the Group builds a transparent and accountable operating environment. In addition, the Group extends its integrity requirements to the supply chain, partnering with stakeholders to build a shared line of defense. In terms of privacy and information security, the Group employs advanced data security systems, supported by stringent confidentiality controls, comprehensive intellectual property protection measures and ongoing employee training to construct a solid safeguard for information security and customer interests.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, High Fashion's total amount of cash and cash equivalent, short-term deposit and other financial assets at fair value through profit and loss was HK$626.2 million (as at 31 December 2025: HK$673.9 million).

Bank borrowings, mainly denominated in Hong Kong Dollar, decreased from HK$1,831.0 million as at 31 December 2025 to HK$1,774.7 million as at 30 June 2026. The bank borrowings were primarily allocated for property construction, development projects and fixed asset investments to develop and upgrade manufacturing plants in mainland China.

The gearing ratio of non-current liabilities to shareholders' funds was 41.8% as at 30 June 2026 (as at 31 December 2025: 41.6%). Current ratio is 1.2 (as at 31 December 2025: 1.2), demonstrating the Group's solid capital foundation.

Net cash from operating activities for the first six months of 2026 was approximately HK$89.6 million. High Fashion enjoys ample credit facilities from its partner banks, along with stable income generated from its owned properties. Management has strong confidence in the Group's ability to maintain healthy working capital and liquidity levels, sufficient to meet operational needs and drive future development.

FOREIGN CURRENCY RISK EXPOSURE

Foreign currency risk exposure is primarily related to RMB and USD since a considerable portion of our operating expenses are denominated in RMB while sales are mainly denominated in USD. The Group complies with the policy to monitor foreign currency exchange risk. As HKD is pegged to the USD, the Group considers that its foreign currency risk in respect of USD is minimal. The management will continue to take prudent measures to reduce risks associated with currency fluctuations.

CHARGES ON ASSETS

Apart from HK$2.5 billion of mortgaged properties in Hong Kong and Mainland China for long-term bank borrowings (as at 31 December 2025: HK$2.3 billion), the Group has no collateral for other assets.

CAPITAL EXPENDITURE

In the first six months of 2026, High Fashion invested in enhancing manufacturing capabilities and environmental infrastructure. These strategic investments covered automation and intelligent manufacturing systems, sustainable development equipment, digital transformation, and plant and equipment upgrades, totaling HK$26.6 million (first six months of 2025: HK$34.2 million). During the reporting period, the Company also invested HK$28.1 million (first six months of 2025: HK$40.3 million) in property development and construction projects. These investments align with our commitment to sustainable manufacturing and digital transformation, effectively enhancing operational efficiency and market competitive advantages.

CAPITAL COMMITMENTS

As of 30 June 2026, High Fashion's capital expenditure commitments amounted to HK$152.9 million (as of 31 December 2025: HK$180.4 million), relating to contracted but undelivered property, plant and equipment acquisitions and construction activities.

CONTINGENT LIABILITIES

The Group refers to the legal proceedings (HCA 1953/2014) involving Ms. Leong Ma Li ("Ms. Leong") concerning the operation of the capital bank account of Longford Information and Technology Co., Limited ("Longford"), a subsidiary of High Fashion New Media Corporation Limited ("New Media"), which in turn is a subsidiary of the Group. The underlying proceedings in HCA 1953/2014 arose from shareholder and management disputes concerning New Media and Longford. In September 2014, the directors of Longford resolved to adopt a dual-signatory protocol for the operation of Longford's capital account. Thereafter, on 5 December 2014, New Media obtained an injunction order ("Injunction Order") from the High Court of Hong Kong restraining Ms. Leong from dealing with that account other than in accordance with the protocol, pending determination of the underlying dispute.

Following the Injunction Order, New Media discovered that Ms. Leong had allegedly breached the Injunction Order. In August 2017, the Court of First Instance found Ms. Leong in contempt of court after trial ("Previous Contempt Proceedings"). Despite Previous Contempt Proceedings, after New Media obtained access to Longford's corporate and banking records from Ms. Leong, it discovered further transfers from the capital account allegedly made in contravention of the Injunction Order. New Media consequently commenced the second set of committal proceedings against Ms. Leong in HCMP 932/2020 for her alleged liability for contempt of court arising from the alleged non-compliance with the Injunction Order.

The committal proceedings went through different levels of court, and the Hong Kong Court of First Instance and the Court of Appeal were ruled in favour of New Media in May 2022 and May 2024 respectively. It ultimately came before the Hong Kong Court of Final Appeal ("CFA") in Leong Ma Li v High Fashion New Media Corporation Limited [2026] HKCFA 18. On 21 April 2026, the CFA allowed and made an order nisi for costs in favour of Ms. Leong. The Group is currently undergoing the legal process for the determination of the final costs order. As of the date of this announcement, further steps are required to determine (i) the parties liable for the relevant costs, (ii) whether the Group is liable for costs of the appeal and the lower court proceedings, and (iii) the final amount of any costs payable following taxation or assessment of costs.

Based on the information available as of the date of this Announcement, the directors of the Company are of the view that the Group has adequate financial resources to meet its obligations, and the ultimate outcome of these proceedings is not expected to have a significant adverse impact on the Group's overall financial position and business operations. However, as the matter is subject to taxation and assessment, the final amount remains to be determined.

HUMAN RESOURCES

As of 30 June 2026, the Group had approximately 5,000 employees (31 December 2025: about 5,000 employees). Management places high importance on employee training and development, providing both face to face and online programs to equip staff with the appropriate knowledge and skills. High Fashion evaluates its staff based on performance, experience, and industry practices. Additionally, the Group offer competitive compensation packages, including medical subsidies and retirement plan contributions, to reward employees for their contributions. Furthermore, eligible employees may also receive discretionary bonuses based on High Fashion's and individual performance.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK$0.025 per share for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$0.035 per share) on the shares in issue amounting to approximately HK$7,640,000 (six months ended 30 June 2025: HK$10,697,000), to the shareholders whose names appear on the Register of Members on Tuesday, 15 September 2026. The dividend will be payable on Friday, 2 October 2026.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Monday, 14 September 2026 to Tuesday, 15 September 2026, both days inclusive, during which period no transfer of shares will be registered. In order to determine shareholders who are entitled to qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by not later than 4:30 p.m. on Friday, 11 September 2026.

CORPORATE GOVERNANCE

The Company has applied the principles of, and complied with all the applicable code provisions of 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 throughout the accounting period for the six months ended 30 June 2026.

AUDIT COMMITTEE REVIEW

The Audit Committee of the Company has reviewed the Group's unaudited condensed consolidated financial information and the interim report of the Company for the six months ended 30 June 2026 (the "2026 Interim Report").

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2026, the Company had not redeemed, and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Company (www.highfashion.com.hk) and the Stock Exchange (www.hkexnews.hk).

The 2026 Interim Report will be published and despatched to the shareholders of the Company and available on the above websites by no later than Wednesday, 30 September 2026.

By Order of the Board
High Fashion International Limited
Lam Gee Yu, Will
Executive Director & Managing Director

Hong Kong, 21 August 2026

As at the date of this announcement, the Board comprises of (1) Executive Directors: Mr. Lam Foo Wah, Mr. Lam Gee Yu, Will and Mr. Lam Din Yu, Well; (2) Non-executive Directors: Ms. Leung Wing Man, Mabel and Mr. Lau Yip Shing; and (3) Independent Non-executive Directors: Mr. Chung Kwok Pan, Mr. Tong Hee Keung, Samuel and Mr. Wong Chun Sek, Edmund.