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

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The directors of Wing On Company International Limited (the "**Company**") announce the unaudited consolidated results of the Company and its subsidiaries (together referred to as the "**Group**") for the six months ended 30 June 2026:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Six months ended 30 June 2026 HK$'000	2025 HK$'000
Revenue	3	**430,682**	416,238
Other revenue	5	**55,459**	60,331
Other net gain	5	**90,275**	220,817
Cost of department store sales	6(d)	**(114,876)**	(106,885)
Cost of property leasing activities	6(b)	**(58,367)**	(55,324)
Other operating expenses	6(c)	**(183,406)**	(180,134)
Profit from operations		**219,767**	355,043
Finance costs	6(a)	**(930)**	(1,313)
		218,837	353,730
Net valuation loss on investment properties		**(323,909)**	(470,513)
		(105,072)	(116,783)
Share of loss of an associate		**(3,826)**	(2,438)
Loss before taxation	6	**(108,898)**	(119,221)
Income tax credit/(expense)	7	**17,624**	(29,944)
Loss for the period		**(91,274)**	(149,165)
Attributable to:			
Shareholders of the Company		**(91,357)**	(150,288)
Non-controlling interests		**83**	1,123
Loss for the period		**(91,274)**	(149,165)
Basic and diluted loss per share	9(a)	**(31.7) cents**	(51.9) cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June			
	2026		2025	
	HK$'000	**HK$'000**	HK$'000	HK$'000
Loss for the period		**(91,274)**		(149,165)
Other comprehensive income for the period (with nil tax effect):				
Item that will not be reclassified subsequently to profit or loss:				
- other investments at fair value through other comprehensive income		**(2,199)**		6,300
Item 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	**117,298**		194,347	
- share of exchange differences on translation of financial statements of an associate outside Hong Kong	**(242)**		2,180	
		117,056		196,527
Other comprehensive income for the period		**114,857**		202,827
Total comprehensive income for the period		**23,583**		53,662
Attributable to:				
Shareholders of the Company		**23,298**		52,259
Non-controlling interests		**285**		1,403
Total comprehensive income for the period		**23,583**		53,662

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Non-current assets			
Investment properties		**12,061,867**	12,212,128
Other property, plant and equipment		**292,044**	313,067
		12,353,911	12,525,195
Interest in an associate		**107,483**	111,551
Other investments		**124,212**	126,411
Prepayments	10	**14,649**	31,393
		12,600,255	12,794,550
Current assets			
Financial assets measured at fair value through profit or loss ("**FVPL**")		**2,753,551**	2,555,875
Inventories		**69,582**	65,875
Debtors, deposits and prepayments	10	**104,520**	63,069
Current tax recoverable		**9,683**	6,160
Cash and bank balances		**2,204,112**	2,176,026
		5,141,448	4,867,005
Current liabilities			
Creditors and accrued charges	11	**494,457**	310,007
Contract liabilities		**14,456**	15,608
Secured bank loans		**106,908**	-
Lease liabilities		**10,007**	19,424
Current tax payable		**10,069**	4,126
		635,897	349,165
Net current assets		**4,505,551**	4,517,840
Total assets less current liabilities		**17,105,806**	17,312,390
Non-current liabilities			
Lease liabilities		**265**	382
Long service payment liabilities		**4,870**	3,464
Deferred tax liabilities		**802,040**	818,004
		807,175	821,850
NET ASSETS		**16,298,631**	16,490,540
Capital and reserves			
Share capital		**28,832**	28,847
Reserves		**16,242,148**	16,434,327
Total equity attributable to shareholders of the Company		**16,270,980**	16,463,174
Non-controlling interests		**27,651**	27,366
TOTAL EQUITY		**16,298,631**	16,490,540

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	Attributable to shareholders of the Company									
		Share capital HK$'000	Land and building revaluation reserve HK$'000	Investment revaluation reserve HK$'000	Exchange reserve HK$'000	Contributed surplus HK$'000	General reserve fund HK$'000	Retained earnings HK$'000 (Note)	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2026		28,847	278,710	111,493	(468,320)	754,347	3,184	15,754,913	16,463,174	27,366	16,490,540
Changes in equity for the six months ended 30 June 2026											
(Loss)/profit for the period		-	-	-	-	-	-	(91,357)	(91,357)	83	(91,274)
Other comprehensive income for the period		-	-	(2,199)	116,854	-	-	-	114,655	202	114,857
Total comprehensive income for the period		-	-	(2,199)	116,854	-	-	(91,357)	23,298	285	23,583
Purchase of own shares											
- par value paid		(15)	-	-	-	-	-	-	(15)	-	(15)
- premium and transaction costs paid		-	-	-	-	-	-	(2,079)	(2,079)	-	(2,079)
Dividends approved and payable in respect of the previous year	8(b)	-	-	-	-	-	-	(213,398)	(213,398)	-	(213,398)
		(15)	-	(2,199)	116,854	-	-	(306,834)	(192,194)	285	(191,909)
At 30 June 2026		28,832	278,710	109,294	(351,466)	754,347	3,184	15,448,079	16,270,980	27,651	16,298,631
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 the six months ended 30 June 2025											
(Loss)/profit for the period		-	-	-	-	-	-	(150,288)	(150,288)	1,123	(149,165)
Other comprehensive income for the period		-	-	6,300	196,247	-	-	-	202,547	280	202,827
Total comprehensive income for the period		-	-	6,300	196,247	-	-	(150,288)	52,259	1,403	53,662
Purchase of own shares											
- par value paid		(33)	-	-	-	-	-	-	(33)	-	(33)
- premium and transaction costs paid		-	-	-	-	-	-	(3,749)	(3,749)	-	(3,749)
Dividends approved and payable in respect of the previous year	8(b)	-	-	-	-	-	-	(153,304)	(153,304)	-	(153,304)
		(33)	-	6,300	196,247	-	-	(307,341)	(104,827)	1,403	(103,424)
At 30 June 2025		28,925	278,710	111,607	(518,879)	754,347	3,111	16,070,584	16,728,405	26,519	16,754,924
At 1 July 2025		28,925	278,710	111,607	(518,879)	754,347	3,111	16,070,584	16,728,405	26,519	16,754,924
Changes in equity for the six months ended 31 December 2025											
(Loss)/profit for the period		-	-	-	-	-	-	(180,207)	(180,207)	1,073	(179,134)
Other comprehensive income for the period		-	-	(114)	50,559	-	-	(1,069)	49,376	(226)	49,150
Total comprehensive income for the period		-	-	(114)	50,559	-	-	(181,276)	(130,831)	847	(129,984)
Purchase of own shares											
- par value paid		(78)	-	-	-	-	-	-	(78)	-	(78)
- premium and transaction costs paid		-	-	-	-	-	-	(9,996)	(9,996)	-	(9,996)
Dividends declared and paid in respect of the current year	8(a)	-	-	-	-	-	-	(124,326)	(124,326)	-	(124,326)
Share of general reserve fund of an associate: transfer to general reserve fund		-	-	-	-	-	73	(73)	-	-	-
		(78)	-	(114)	50,559	-	73	(315,671)	(265,231)	847	(264,384)
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

Note:
Retained earnings attributable to shareholders of the Company at 30 June 2026 include the aggregate net valuation gain relating to investment properties after deferred tax of HK$9,209,229,000 (at 31 December 2025: HK$9,487,650,000).

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Operating activities		
Loss before taxation	**(108,898)**	(119,221)
Adjustments for:		
Net valuation loss on investment properties	**323,909**	470,513
Depreciation and amortisation	**40,872**	37,673
Interest and dividend income	**(51,749)**	(56,869)
Share of loss of an associate	**3,826**	2,438
Increase in financial assets measured at FVPL	**(197,676)**	(146,981)
Other cash flows arising from operating activities	**(83,358)**	(72,099)
Cash (used in)/generated from operations	**(73,074)**	115,454
Tax paid	**(22,561)**	(23,291)
Net cash (used in)/generated from operating activities	**(95,635)**	92,163
Investing activities		
Payment for purchases of investment properties and other property, plant and equipment	**(45,799)**	(33,525)
(Increase)/decrease in pledged bank balances	**(147,106)**	16,402
Decrease in bank deposits with more than three months to maturity when placed	**7,522**	277,300
Dividends and distributions from an associate	**-**	185,069
Other cash flows arising from investing activities	**45,605**	50,390
Net cash (used in)/generated from investing activities	**(139,778)**	495,636
Financing activities		
Proceeds from new bank loans	**192,384**	-
Repayment of bank loans	**(84,464)**	-
Other cash flows arising from financing activities	**(12,371)**	(13,696)
Net cash generated from/(used in) financing activities	**95,549**	(13,696)
Net (decrease)/increase in cash and cash equivalents	**(139,864)**	574,103
Cash and cash equivalents at 1 January	**1,517,596**	1,574,267
Effect of foreign exchange rate changes	**10,247**	29,939
Cash and cash equivalents at 30 June	**1,387,979**	2,178,309

NOTES TO THE UNAUDITED INTERIM RESULTS

1. Basis of preparation

The interim results set out in this announcement are extracted from the Group's interim financial report for the six months ended 30 June 2026.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), including compliance with Hong Kong Accounting Standard ("**HKAS**") 34 Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 26 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses on a year-to-date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by the Company's independent auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 Review of interim financial information performed by the independent auditor of the entity, issued by the HKICPA. In addition, the interim financial report has been reviewed by the Company's Audit Committee.

The financial information relating to the financial year ended 31 December 2025 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2025 are available on the respective websites of the Stock Exchange and the Company. The auditor expressed an unqualified opinion on those financial statements in their independent auditor's report dated 26 March 2026.

2. Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current reporting period. 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 in the interim financial report.

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:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Under the scope of Hong Kong Financial Reporting Standard ("HKFRS") 15 Revenue from contracts with customers:		
Department stores (recognised at a point in time)		
- Sales of goods	**163,714**	152,162
- Net income from concession sales	**58,272**	59,700
- Net income from consignment sales	**20,532**	20,896
	242,518	232,758
Property investment (recognised over time)		
- Building management fees and other rental related income	**21,623**	24,368
Under the scope of HKFRS 16 Leases:		
Property investment		
- Rentals from investment properties	**166,541**	159,112
	430,682	416,238

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 periods is set out below.

	Department stores Six months ended 30 June		Property investment Six months ended 30 June		Total Six months ended 30 June	
	2026	2025	**2026**	2025	**2026**	2025
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue from external customers	**242,518**	232,758	**188,164**	183,480	**430,682**	416,238
Inter-segment revenue	**–**	–	**32,590**	43,286	**32,590**	43,286
Reportable segment revenue	**242,518**	232,758	**220,754**	226,766	**463,272**	459,524
Reportable segment profit/(loss)	**(23,108)**	(38,514)	**148,697**	158,810	**125,589**	120,296
Interest on lease liabilities	**517**	1,171	**–**	–	**517**	1,171
Depreciation and amortisation	**16,020**	15,930	**24,505**	21,554	**40,525**	37,484

	Department stores		Property investment		Total	
	At 30 June 2026	At 31 December 2025	**At 30 June 2026**	At 31 December 2025	**At 30 June 2026**	At 31 December 2025
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Reportable segment assets	**197,415**	206,486	**12,295,645**	12,457,618	**12,493,060**	12,664,104
Additions to non-current segment assets during the period/year	**85**	26,559	**52,909**	100,508	**52,994**	127,067
Reportable segment liabilities	**135,509**	177,270	**118,066**	126,326	**253,575**	303,596

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

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Profit		
Reportable segment profit	**125,589**	120,296
Other revenue	**55,459**	60,331
Other net gain	**90,275**	220,817
Finance costs	**(930)**	(1,313)
Net valuation loss on investment properties	**(323,909)**	(470,513)
Share of loss of an associate	**(3,826)**	(2,438)
Unallocated head office and corporate expenses	**(51,556)**	(46,401)
Consolidated loss before taxation	**(108,898)**	(119,221)

	At	At
	30 June	31 December
	2026	2025
	HK$'000	HK$'000
Assets		
Reportable segment assets	**12,493,060**	12,664,104
Elimination of inter-segment receivables	**(3,533)**	(3,533)
	12,489,527	12,660,571
Interest in an associate	**107,483**	111,551
Other investments	**124,212**	126,411
Financial assets measured at FVPL	**2,753,551**	2,555,875
Current tax recoverable	**9,683**	6,160
Unallocated head office and corporate assets	**2,257,247**	2,200,987
Consolidated total assets	**17,741,703**	17,661,555
Liabilities		
Reportable segment liabilities	**253,575**	303,596
Elimination of inter-segment payables	**(3,533)**	(3,533)
	250,042	300,063
Secured bank loans	**106,908**	-
Current tax payable	**10,069**	4,126
Deferred tax liabilities	**802,040**	818,004
Unallocated head office and corporate liabilities	**274,013**	48,822
Consolidated total liabilities	**1,443,072**	1,171,015

5. Other revenue and other net gain

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Other revenue		
Interest income from bank deposits	**34,651**	38,896
Dividend income from financial assets measured at FVPL	**13,922**	13,331
Interest income from financial assets measured at FVPL	**3,176**	4,642
Others	**3,710**	3,462
	55,459	60,331

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Other net gain		
Fair value change on financial assets measured at FVPL	**76,551**	205,011
Net foreign exchange gain	**13,720**	16,008
Net gain/(loss) on disposal of plant and equipment	**4**	(202)
	90,275	220,817

6. Loss before taxation

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

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
(a) Finance costs		
Interest on lease liabilities	**517**	1,171
Interest on secured bank loans	**413**	142
	930	1,313
(b) Rentals receivable from investment properties		
Income from property investment	**(188,164)**	(183,480)
Less: direct outgoings	**58,367**	55,324
	(129,797)	(128,156)
(c) Other operating expenses, include		
Staff costs (excluding directors' emoluments)		
- salaries, wages and other benefits	**94,892**	96,547
- contributions to defined contribution retirement plans	**3,920**	4,538
	98,812	101,085
Less: included in cost of property leasing activities	**-**	(1,189)
	98,812	99,896
Directors' emoluments	**17,457**	14,483
Depreciation		
- right-of-use assets	**16,618**	16,552
- owned plant and equipment	**8,690**	8,654
Electricity, water and gas	**3,593**	3,746
Advertising expenses	**2,834**	2,991
Credit card commission	**2,829**	2,624
Government rent and rates	**2,188**	2,411
Information technology expenses	**2,034**	2,347
(d) Other items		
Amortisation on lease incentives	**15,564**	12,467
Cost of inventories sold	**114,876**	106,885

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

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Current tax – Hong Kong Profits Tax		
Provision for the period	**14,754**	18,028
Current tax – Outside Hong Kong		
Provision for the period	**10,371**	6,575
Deferred tax		
Origination and reversal of temporary differences		
- changes in fair value of investment properties	**(45,470)**	(35)
- other temporary differences	**2,721**	5,376
	(42,749)	5,341
Total income tax (credit)/expense	**(17,624)**	29,944

The provision for Hong Kong Profits Tax is calculated at 16.5% (2025: 16.5%) of the estimated assessable profits for the six months ended 30 June 2026, 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 six months ended 30 June 2026 and 2025.

Taxation for subsidiaries outside Hong Kong is calculated 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 interim period:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Interim dividend:		
- declared after the interim period	**72,080**	124,378
- attributable to shares purchased in July and September 2025	**-**	(52)
Interim dividend declared and payable after the interim period of 25 HK cents (2025: 43 HK cents) per share	**72,080**	124,326

The interim dividend declared 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 payable during the interim period:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Final dividend in respect of the financial year ended 31 December 2025/31 December 2024		
- approved during the interim period	**213,469**	153,474
- attributable to shares purchased in January, February and May 2026/January to May 2025	**(71)**	(170)
Final dividend payable during the interim period of 74 HK cents (payable during 2025: 53 HK cents) per share	**213,398**	153,304

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 six months ended 30 June 2026 of HK$91,357,000 (2025: HK$150,288,000) divided by the weighted average of 288,390,000 shares (2025: 289,349,000 shares) in issue during the interim period.

There were no dilutive potential shares outstanding throughout the periods 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 period 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 period is reconciled as follows:

	Six months ended 30 June			
	2026		2025	
	HK$'000	**(Loss)/ earnings per share HK cents**	HK$'000	(Loss)/ earnings per share HK cents
Loss attributable to shareholders of the Company as shown in the consolidated statement of profit or loss	**(91,357)**	**(31.7)**	(150,288)	(51.9)
Add: net valuation loss on investment properties	**323,909**	**112.3**	470,513	162.6
Less: decrease in deferred tax liabilities in relation to the net valuation loss on investment properties	**(45,470)**	**(15.7)**	(35)	(0.0)
	187,082	**64.9**	320,190	110.7
(Less)/add: valuation (loss)/gain on investment property net of related deferred tax attributable to non-controlling interests	**(18)**	**(0.0)**	1,009	0.3
Underlying profit attributable to shareholders of the Company	**187,064**	**64.9**	321,199	111.0

10. Debtors, deposits and prepayments

	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Trade debtors (net of loss allowance)	**5,684**	10,390
Other debtors	**35,958**	15,341
Deposits and prepayments	**62,310**	53,052
Amounts due from fellow subsidiaries	**15,217**	15,679
	119,169	94,462
Represented by:		
Non-current portion	**14,649**	31,393
Current portion	**104,520**	63,069
	119,169	94,462

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:

	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Current (not past due) or less than one month past due	**5,675**	9,694
One to three months past due	**4**	435
More than three months but less than twelve months past due	**4**	260
More than twelve months past due	**1**	1
	5,684	10,390

The Group's retail sales to customers are primarily settled in cash, via credit cards or through other electronic payment methods. Trade receivables from credit card and electronic payment service providers are normally settled within one to two business days in arrears. Rental income from the leasing of investment properties is typically received in advance on a monthly basis.

11. Creditors and accrued charges

	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Trade and other creditors	**222,063**	240,932
Dividend payable	**223,724**	12,605
Accrued charges	**45,752**	55,333
Amounts due to fellow subsidiaries	**2,918**	1,137
	494,457	310,007

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

	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Amounts not yet due	**198,163**	213,700
On demand or less than one month overdue	**22,386**	25,266
One to three months overdue	**827**	1,415
More than three months but less than twelve months overdue	**564**	436
More than twelve months overdue	**123**	115
	222,063	240,932

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

INTERIM RESULTS AND DIVIDEND

For the six months ended 30 June 2026, the Group's revenue was HK$430.7 million (2025: HK$416.2 million), a slight increase of 3.5% due mainly to the increase in the Group's department stores revenue.

The Group recorded a loss attributable to shareholders of HK$91.4 million for the six months ended 30 June 2026 (2025: HK$150.3 million). Such reduction in loss was mainly attributable to a lower valuation loss on the Group's investment properties of HK$323.9 million for the six months ended 30 June 2026 as compared to the net valuation loss of HK$470.5 million for the corresponding period in 2025; and a reduced gain from the Group's investment portfolio of HK$90.3 million for the six months ended 30 June 2026 as compared to a gain of HK$219.8 million for the corresponding period in 2025.

Excluding the net valuation loss on investment properties and related deferred tax thereon, the Group's underlying profit attributable to shareholders decreased by 41.7% to HK$187.1 million for the six months ended 30 June 2026 (2025: HK$321.2 million).

Loss per share for the six months ended 30 June 2026 was 31.7 HK cents (2025: 51.9 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 the period was 64.9 HK cents (2025: 111.0 HK cents) per share.

The directors of the Company have decided to pay an interim dividend of 25 HK cents (2025: 43 HK cents) per share, absorbing a total amount of HK$72.1 million (2025: HK$124.3 million). The interim dividend will be paid on Monday, 26 October 2026 to shareholders on the register of members of the Company on Friday, 9 October 2026. The register of members of the Company will be closed from Monday, 5 October 2026 to Friday, 9 October 2026, both dates inclusive, during which period no transfer of shares of the Company will be registered.

In order to qualify for the interim dividend, 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 Friday, 2 October 2026.

LIQUIDITY AND FINANCIAL RESOURCES

Overall Financial Position

Shareholders' equity at 30 June 2026 was HK$16,271.0 million, a decrease of 1.2% as compared to HK$16,463.2 million at 31 December 2025. With cash and listed marketable securities of HK$3,607.9 million at 30 June 2026 (at 31 December 2025: HK$3,506.5 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 30 June 2026, the Group's total secured bank borrowings amounted to HK$106.9 million (at 31 December 2025: nil). These borrowings were denominated in Japanese Yen, with maturities ranging from two to six months, and were obtained for the Group's investment in trading Japanese securities. At 30 June 2026, these borrowings were secured by certain of the Group's cash and bank balances and financial assets measured at FVPL, with an aggregate carrying amount of HK$452.6 million (at 31 December 2025: nil). In view of the existing strong cash position, the Group does not anticipate any liquidity problems.

Gearing Ratio

The gearing ratio of the Group, calculated as total borrowings divided by shareholders' equity, was 0.7% at 30 June 2026. As 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$3,442.7 million at 30 June 2026 (at 31 December 2025: HK$3,391.5 million). The Group's cash and bank balances and financial assets measured at FVPL are mainly denominated in Hong Kong dollars, United States dollars and Australian dollars.

Capital Commitments and Contingent Liabilities

At 30 June 2026, the Group's capital commitments amounted to HK$22.3 million (at 31 December 2025: HK$50.6 million). The Group had no contingent liabilities at 30 June 2026 and 31 December 2025.

HALF YEAR BUSINESS REVIEW

Department Stores Operation

Hong Kong's retail sales increased moderately in the first half of 2026, supported by a surge in tourist arrivals, stable consumer confidence and large-scale festive events. However, performance varied significantly across sectors, for instance, durable and luxury goods recorded strong growth while department stores only experienced a marginal increase.

Throughout the period, inbound visitors maintained a preference for experience-based retail and social media activities. In contrast, Hong Kong residents still favoured outbound travel and cross-border shopping. These behavioural shifts, combined with weak consumer demand and increased competition from online operators and industry peers in Hong Kong, negatively impacted the Group's stores performance. Despite the Group's efforts to improve merchandise, enhance services and implement steep promotions to boost sales, its profit margin declined due to extended sale periods and price reductions. Revenue from concession counters also declined because counter sales fell and vacant spaces were slow to fill as tenants deferred expansion spending.

For the six months ended 30 June 2026, the Group's department stores recorded a revenue of HK$242.5 million, representing an increase of 4.2% when compared to HK$232.8 million in the same period of 2025. The revenue increase was primarily attributable to the rescheduling of the summer special sale from July to June this year and enhanced promotions during the period. The department stores incurred a decreased operating loss of HK$23.1 million (2025: HK$38.5 million) due mainly to the rental reduction of HK$11.6 million (2025: HK$11.5 million) provided by the Group's property investment subsidiary.

Property Investment

For the six months ended 30 June 2026, the Group's net property investment income in Hong Kong and Melbourne, Australia was HK$150.0 million (2025: HK$160.3 million).

Net income from the Group's commercial investment properties in Hong Kong for the six months ended 30 June 2026 decreased by 9.2% to HK$113.3 million (2025: HK$124.8 million), which was mainly due to the rental support provided to the Group's department store subsidiary. The overall occupancy rate of the Group's commercial investment properties in Hong Kong remained at approximately 88% at 30 June 2026 (at 30 June 2025: 89%).

Net income from the Group's commercial office properties in Melbourne, Australia, for the six months ended 30 June 2026 amounted to HK$36.7 million (2025: HK$35.5 million). While net income in Australian dollars decreased by 6.8% due to higher building management and operating expenses during the period, this decline was largely offset by the appreciation of the Australian dollars when translating net income into Hong Kong dollars. The overall occupancy rate of the Group's commercial investment properties in Melbourne, Australia was approximately 72% at 30 June 2026 (at 30 June 2025: 76%).

Property Investment (Continued)

As part of the Group's plan to enhance the facilities and amenities of its commercial office properties in Melbourne, Australia, it completed fitout works for a business lounge and a few furnished office suites during the period. The Group will award further contracts for fitout works in the second half of the year. The Group will also commence its leasing plan for the buildings' spaces and tender other major works in accordance with the project plan. The entire project will take several years to complete as certain renovation and major upgrade works will not commence until the expiry of existing leases on the premises involved.

Other Investments

At 30 June 2026, the Group's investment portfolio amounted to HK$2,753.6 million (at 31 December 2025: HK$2,555.9 million), which comprised of equity and debt securities, investment funds, strategies managed by professional investment managers, and derivative financial instruments. Despite the volatility across global financial markets during the period, the Group's investment portfolio recorded a gain of HK$90.3 million (2025: HK$219.8 million) for the six months ended 30 June 2026.

Interest in an Associate

For the six months ended 30 June 2026, the Group's share of loss after tax amounted to HK$3.8 million (2025: HK$2.4 million), which was mainly attributable to its associate's automobile dealerships operations in the Mainland.

STAFF

At 30 June 2026, the Group had a total staff of 492 (at 31 December 2025: 499). The Group's remuneration policies, bonus schemes, the Mandatory Provident Fund Schemes, etc., have not changed materially from the information disclosed in the 2025 Annual Report.

OUTLOOK FOR THE REMAINDER OF 2026

The Group anticipates that intense competition among retailers and permanent shifts in consumer behaviour will continue in the second half of 2026. This will negatively impact its department store operations. To mitigate this, the Group is optimising department store operations to enhance revenue and profit while controlling operating expenses. The Group's investment properties in Hong Kong and Melbourne, Australia will continue to generate rental income in line with market conditions although the office leasing markets in Hong Kong and Melbourne, Australia are expected to remain soft. The Group expects global financial markets to remain volatile in the second half of 2026 and it will execute its investment policies cautiously. With its strong financial position, the Group is confident it can meet the challenges ahead.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with all applicable 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 (the "**Listing Rules**") throughout the six months ended 30 June 2026.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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. In response to specific enquiries made, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout their tenure during the six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the six months ended 30 June 2026, the Company purchased its own shares on the Stock Exchange and cancelled the purchased shares as follows:

Month/year	Number of shares purchased	Purchase price per share Highest HK$	Purchase price per share Lowest HK$	Aggregate price paid HK$'000
January 2026	62,000	13.81	13.60	853
February 2026	31,000	13.85	13.80	428
May 2026	2,000	14.96	14.96	30
June 2026	58,000	13.40	13.25	774
	153,000			2,085

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 six months ended 30 June 2026.

By Order of the Board
Kwok Chi Leung Karl
Chairman

Hong Kong, 26 August 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 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).