



High Fashion International limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 608)

2026 Interim Report



MDX / 混合產品

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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 SILKLOGY® machine-washable silk,

Chairman's Statement

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 to 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.

Chairman's Statement

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.

LAM FOO WAH

Chairman

Hong Kong, 21 August 2026

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

Management Discussion and Analysis

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 were 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).

Management Discussion and Analysis

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 were 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 note 18 to the condensed consolidated financial statements.

Finance costs decreased 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 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 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

Management Discussion and Analysis

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.

Management Discussion and Analysis

In response to the severe challenges in resource consumption and the ecological environment, the Group, on the 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 period, 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

Management Discussion and Analysis

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 equivalents, short-term bank deposits and 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 was 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 including usage of foreign exchange forward contracts to hedge the foreign currency risk.

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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

Please refer to note 18 to the condensed consolidated financial statements for details of contingent liabilities as of 30 June 2026.

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 offers 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 the individual performance.

Save as disclosed in this report, information in relation to matters set out in paragraph 32 of Appendix D2 to the Main Board Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited has not changed materially from the information disclosed in the Company's 2025 Annual Report.

Condensed Consolidated Financial Statements

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 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
	NOTES		
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

Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Other comprehensive income (expense)		
Items 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

Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2026

	NOTE	Six months ended 30 June	
		2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
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

Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
<i>NOTES</i>		
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	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

Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2026

	NOTES	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Current liabilities			
Trade payables	12	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	13	844,560	918,021
		2,047,388	2,087,113
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	13	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

Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2026

	NOTE	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Capital and reserves			
Share capital	14	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

Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company										Attributable to non-controlling interests		
	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Reserve funds HK\$'000	Property revaluation reserve HK\$'000	FVTOCI revaluation reserve HK\$'000	Capital redemption reserve HK\$'000	Share options reserve HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Total HK\$'000	
At 1 January 2026	30,562	287,656	95,503	132,762	438,396	65	8,511	1,914	39,853	2,221,753	3,256,975	(24,516)	3,232,459
Profit for the period	-	-	-	-	-	-	-	-	-	16,706	16,706	(114)	16,592
Other comprehensive income for the period	-	-	80,501	-	-	-	-	-	-	-	80,501	-	80,501
Total comprehensive income for the period	-	-	80,501	-	-	-	-	-	-	16,706	97,207	(114)	97,093
Transfer to reserve funds	-	-	-	2,211	-	-	-	-	-	(2,211)	-	-	-
At 30 June 2026 (unaudited)	30,562	287,656	176,004	134,973	438,396	65	8,511	1,914	39,853	2,236,248	3,354,182	(24,630)	3,329,552
At 1 January 2025	30,562	287,656	8,960	124,569	438,396	5,093	8,511	1,914	39,853	2,170,871	3,116,385	(25,327)	3,091,058
Profit for the period	-	-	-	-	-	-	-	-	-	41,747	41,747	320	42,067
Other comprehensive income for the period	-	-	30,579	-	2,155	-	-	-	-	-	32,734	-	32,734
Total comprehensive income for the period	-	-	30,579	-	2,155	-	-	-	-	41,747	74,481	320	74,801
Transfer to reserve funds	-	-	-	8,193	-	-	-	-	-	(8,193)	-	-	-
At 30 June 2025 (unaudited)	30,562	287,656	39,539	132,762	440,551	5,093	8,511	1,914	39,853	2,204,425	3,190,866	(25,007)	3,165,859

Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

		Six months ended 30 June	
	NOTE	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Net cash generated from operating activities		89,592	69,101
INVESTING ACTIVITIES			
Interests received		4,186	4,462
Withdrawal of short-term bank deposits and balances		129,306	42,690
New long-term and short-term bank deposits and balances placed		(57,634)	(11,525)
Purchases of other financial assets at FVTPL		–	(16,502)
Redemption of other financial assets at FVTPL		16,289	5,098
Additions to investment properties		(28,118)	(40,343)
Purchases of property, plant and equipment		(26,592)	(34,242)
Settlement of derivative financial instruments		1,359	1,257
Proceeds on disposal of property, plant and equipment		26,171	4,676
Net cash from (used in) investing activities		64,967	(44,429)
FINANCING ACTIVITIES			
New bank borrowings raised	13	660,058	661,780
Repayment of bank borrowings	13	(750,151)	(648,415)
Interests paid		(29,906)	(33,468)
Repayment of lease liabilities		(2,109)	(2,558)
Net cash used in financing activities		(122,108)	(22,661)

Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Net increase in cash and cash equivalents	32,451	2,011
Cash and cash equivalents at beginning of the period	368,387	333,643
Effect of foreign exchange rate changes, net	(2,635)	(7,092)
Cash and cash equivalents at end of the period	398,203	328,562
Analysis of balances of cash and cash equivalents		
Bank balances and cash	398,203	328,562

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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 (the “Stock Exchange”).

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 HKFRS 9
and HKFRS 7

Amendments to HKFRS
Accounting Standards

Amendments to the Classification
and Measurement of Financial Instruments

Contracts Referencing Nature Dependent
Electricity

Annual Improvements to HKFRS
Accounting Standards – Volume 11

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of amendments to HKFRS Accounting Standards (Continued)

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 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
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

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

3. REVENUE AND SEGMENT INFORMATION (Continued)

Disaggregation of revenue from contracts with customers (Continued)

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 HK\$'000	Property investment and development 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

For the six months ended 30 June 2025 (unaudited)

	Manufacturing and trading of garments and related products HK\$'000	Property investment and development 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	–

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

3. REVENUE AND SEGMENT INFORMATION (Continued)

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 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
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

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

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 Company'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 are presented accordingly.

4. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
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

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

5. FINANCE COSTS

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Interests on:		
Bank borrowings and overdrafts	29,598	35,752
Lease 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

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

6. INCOME TAX (CREDIT) EXPENSES

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
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

Deferred tax

Included in deferred taxation for the period is approximately HK\$3,000,000 (six months ended 30 June 2025: HK\$1,480,000) deferred tax charged on increase (six months ended 30 June 2025: increase) in fair value of investment properties.

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

7. PROFIT FOR THE PERIOD

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

Six months ended 30 June		
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
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 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Earnings for the purpose of basic and diluted earnings per share attributable to owners of the Company	16,706	41,747

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

8. EARNINGS PER SHARE (Continued)

	Number of shares '000	Number of shares '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 of directors of the Company (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.

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

10. INVESTMENT PROPERTIES

All investment properties held by the Group are determined using fair value model. The fair value of the Group's major investment properties as at 30 June 2026 has been arrived at on the basis of the valuation carried out by RHL Appraisal Limited (31 December 2025: CBRE Advisory Hong Kong Limited and RHL Appraisal Limited), which is an independent qualified professional valuer not connected with the Group. An increase in fair value of investment properties of approximately HK\$33,104,000 (six months ended 30 June 2025: increase in fair value of HK\$28,969,000) has been recognised directly in the profit or loss for the six months ended 30 June 2026.

11. 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 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 dates at the end of the reporting period, which approximates the respective revenue recognition dates.

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
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

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

12. 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 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
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

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

12. TRADE PAYABLES (Continued)

The average credit period on purchases of goods is around 90 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

The Group's trade payables included trade payables under supplier finance arrangements in which the Group has issued bills with the carrying amount of HK\$139,964,000 as at 30 June 2026 (31 December 2025: HK\$120,968,000) to the relevant suppliers for future settlement and continues to recognise trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension.

Accrued purchases represent the purchase of goods of which the invoices have not been received by the Group. The purchase invoices will normally be received within one month from the receipt of the goods purchased.

13. BANK BORROWINGS

During the current interim period, the Group obtained new bank borrowings totalling HK\$660,058,000 (six months ended 30 June 2025: HK\$661,780,000) and repaid HK\$750,151,000 (six months ended 30 June 2025: HK\$648,415,000). The loans carry interest at market rates ranging from 1.9% to 4.47% (31 December 2025: 1.9% to 4.6%) per annum.

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

14. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 January 2025 (audited),		
30 June 2025 (unaudited),		
1 January 2026 (audited) and		
30 June 2026 (unaudited)	1,000,000	100,000
Issued and fully paid:		
At 1 January 2025 (audited),		
30 June 2025 (unaudited),		
1 January 2026 (audited) and		
30 June 2026 (unaudited)	305,616	30,562

15. CAPITAL COMMITMENTS

At 30 June 2026, the Group is committed to capital expenditure in respect of acquisition of property, plant and equipment and construction work contracted but not provided for amounting to approximately HK\$152,853,000 (31 December 2025: HK\$180,381,000).

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

16. RELATED PARTY TRANSACTIONS

Apart from the amount due to an associate as stated in the condensed consolidated statement of financial position, the Group had the following transactions with related parties during the period:

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Key management personnel compensation (Note)	8,747	9,433

Note: The remuneration of the Company's directors, who are the key management personnel, was determined during the period by the remuneration committee having regard to the performance of individuals and market trends.

17. SHARE-BASED PAYMENTS

The Company passed an ordinary resolution at the annual general meeting to adopt a share option scheme on 30 May 2012 (the "2012 Share Option Scheme") for a period of 10 years commencing on the adoption date. The 2012 Share Option Scheme expired on 29 May 2022 and no further option could thereafter be granted. Notwithstanding the expiry of the 2012 Share Option Scheme, the share options which had been granted and not exercised nor lapsed at the date of expiry shall remain valid and exercisable in accordance with the 2012 Share Option Scheme and in all other respects, the provisions of the 2012 Share Option Scheme shall remain in full force and effect.

Following the expiry of the 2012 Share Option Scheme, the Company passed a resolution at the 2022 annual general meeting held on 14 June 2022 to adopt the 2022 Share Option Scheme (the "2022 Share Option Scheme") for the continuation of providing recognition to the contributions or services of executive directors, non-executive directors and eligible employees of the Group. Unless otherwise terminated or amended, the 2022 Share Option Scheme will remain in force for 10 years.

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

17. SHARE-BASED PAYMENTS (Continued)

At 30 June 2026, the number of shares in respect of which options had been granted and remained outstanding under the 2012 Share Option Scheme was 5,000,000 (31 December 2025: 5,000,000), which if exercised in full representing 1.64% (31 December 2025: 1.64%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the 2022 Share Option Scheme is not permitted to exceed 30% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. In addition, any share options to a substantial shareholder of the Company or any of their respective associates that would result in the total number of shares issued and to be issued upon exercise of all options granted and to be granted (including options exercised, cancelled and outstanding) to such person in any 12-month period up to and including the date of such grant exceeding 0.1% of the shares in issue and with an aggregate value (based on the closing price of the shares on the date of grant) in excess of HK\$5 million is subject to shareholders' approval in a general meeting.

No consideration is payable by the Grantee in respect of the offer of the grant, the acceptance of the offer of grant or the grant of the Option. The exercise period of the share options granted is determinable by the directors of the Company, but no later than 10 years from the date of the offer. The minimum period for which an option must be held before it can be exercised is to be determined by the directors of the Company after taking into account a wide range of factors including but not limited to the responsibilities and years of services of each eligible participant, business development and other areas concerning the operation and sustainable development of the Group.

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

17. SHARE-BASED PAYMENTS (Continued)

50% of the options granted were exercisable from 3 December 2019 to 2 December 2028, while the remaining 50% of the options granted were exercisable from 3 December 2020 to 2 December 2028. The exercise price is determined by the directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheet on the date of grant of option; (ii) the average closing price of the shares in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of option; and (iii) the par value of the Company's share.

Details of options granted are as follows:

Number of share options	Date of grant	Exercise period	Exercise price HK\$	Fair value at grant date HK\$
5,000,000	3 December 2018	3 December 2019 to 2 December 2028	1.76	0.3828

There is no movement of the Company's share options granted during the six months ended 30 June 2026 and the year ended 31 December 2025.

The Group did not recognise any expense for the six months ended 30 June 2026 (year ended 31 December 2025: nil) in relation to share options granted by the Company.

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

18. 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 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 the board meeting approving this report held on 21 August 2026 (the "Date of Board Meeting"), 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.

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

18. CONTINGENT LIABILITIES (Continued)

Based on the information available as of the Date of Board Meeting, 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.

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The Group's equity investments at FVTOCI, derivative financial instruments and other financial assets at FVTPL are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

For valuation technique using discounted cash flows, the discount rates used take into consideration the credit risk of the relevant counterparties of the contracts or the Group, as appropriate.

Condensed Consolidated Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets/ financial liabilities	Fair value as at	Fair value hierarchy	Valuation technique(s) and key input(s)
	30 June 2026 (unaudited)	31 December 2025 (audited)	
Foreign exchange forward contracts	Assets – HK\$663,000	Assets – HK\$1,322,000	Level 2 Valuation technique: Discounted cash flow.
	Liabilities – HK\$956,000	Liabilities – HK\$nil	Key inputs: Forward exchange rates, contracted exchange rates and discount rates.
Interest rate swap contracts	Liabilities – HK\$nil	Liabilities – HK\$70,000	Level 2 Valuation technique: Discounted cash flow and option pricing model. Key inputs: Forward interest rates, contracted interest rates, discount rate and HSBC Dynamic Term Premium Index 10 as published on Bloomberg Screen and its volatility.
Unlisted fund in Hong Kong	Assets – HK\$nil	Assets – HK\$9,000	Level 2 Valuation techniques: Redeemable value provided by financial institutions.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30 June 2026 (unaudited)	31 December 2025 (audited)		
Unlisted financial products in Mainland China	Assets – HK\$60,818,000	Assets – HK\$74,442,000	Level 2	Valuation technique: Quoted price for identical asset from a platform.
Equity instruments at FVTOCI	Assets – HK\$588,000	Assets – HK\$588,000	Level 2	Valuation technique: Net asset value.

There is no transfer amongst level 1, 2 and 3 for the six months ended 30 June 2026 and year ended 31 December 2025.

The directors of the Company consider that the carrying amounts of the financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

20. FINANCIAL ASSETS AND FINANCIAL LIABILITIES SUBJECT TO ENFORCEABLE MASTER NETTING ARRANGEMENTS

The Group has entered into certain derivative transactions that are covered by the International Swaps and Derivatives Association Master Netting Agreements ("ISDA Agreements") signed with various banks. These derivative instruments are not offset in the condensed consolidated statement of financial position as the ISDA Agreements are in place with a right of set off only in the event of default, insolvency or bankruptcy so that the Group currently has no legally enforceable right to set off the recognised amounts. The carrying amounts of financial assets and financial liabilities presented under "Derivative financial instruments" in the condensed consolidated statement of financial position are HK\$663,000 and HK\$956,000 (31 December 2025: HK\$1,322,000 and HK\$70,000), respectively.

The gross amounts of the recognised financial assets and financial liabilities disclosed in the above tables, which are subject to enforceable master netting arrangements, are measured as follows:

- Derivative financial instruments – fair value

Other Information

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 Listing Rules on the Stock Exchange throughout the accounting period for the six months ended 30 June 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions of the directors of the Company (the "Directors").

Specific enquiry has been made of all Directors and they have complied with the required standard set out in the Model Code during the six months ended 30 June 2026.

The Company has established the written guidelines on no less exacting terms than the Model Code relating to securities transactions for the relevant employees.

Other Information

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.

AUDIT COMMITTEE REVIEW

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

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors, chief executives of the Company (the "Chief Executives") and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or chief executive was taken or deemed to have under such provisions of the SFO) or have been recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or which have been notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, were as follows:

Long Positions in the Shares and Underlying Shares of the Company

(a) Ordinary shares of the Company

Name of Director	Notes	Capacity	Nature of interests	Number of ordinary shares held	Percentage of the Company's issued share capital (Note 4)
Lam Foo Wah		Beneficial owner	Personal	1,789,901	0.59%
	1, 2	Other interests	Other	222,565,460	72.82%

Other Information

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

Long Positions in the Shares and Underlying Shares of the Company (Continued)

(b) Share options granted by the Company

Name of Directors	Capacity	Number of underlying shares held pursuant to share options (Note 3)	Percentage of the Company's issued share capital (Note 4)
Lam Gee Yu, Will	Beneficial owner	2,500,000	0.82%
Lam Din Yu, Well	Beneficial owner	2,500,000	0.82%

Notes:

1. Mr. Lam Foo Wah is deemed to have interests in 171,363,620 ordinary shares which are beneficially owned by Hinton Company Limited, the entire issued share capital of which is held under LFW Vista Trust. Mr. Lam is regarded as a founder of the trust.
2. Mr. Lam Foo Wah is deemed to have interests in 51,201,840 ordinary shares which are beneficially owned by High Fashion Charitable Foundation Limited, the entire issued share capital of which is held under LFW Vista Trust. Mr. Lam is regarded as a founder of the trust.
3. Particulars of these share options and their movements as at 30 June 2026 are set out in the "Share Option Scheme" section below.
4. The issued share capital of the Company is 305,615,420 shares as at 30 June 2026.

Other Information

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

Long Positions in the Shares and Underlying Shares of the Company (Continued)

(b) *Share options granted by the Company (Continued)*

Save as disclosed above, as at 30 June 2026, none of the Directors, Chief Executives nor their associates had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which have been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which have been notified to the Company and the Stock Exchange pursuant to the Model Code.

Furthermore, save as disclosed in the "Share Option Scheme" section below and note 17 to the condensed consolidated financial statements, at no time during the six months ended 30 June 2026 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or its associated corporations (within the meaning of Part XV of the SFO).

SHARE OPTION SCHEME

The Company passed an ordinary resolution at the annual general meeting to adopt 2012 Share Option Scheme for a period of 10 years commencing on the adoption date. The 2012 Share Option Scheme expired on 29 May 2022 and no further option could thereafter be granted. Notwithstanding the expiry of the 2012 Share Option Scheme, the share options which had been granted and not exercised nor lapsed at the date of expiry shall remain valid and exercisable in accordance with the 2012 Share Option Scheme and in all other respects, the provisions of the 2012 Share Option Scheme shall remain in full force and effect.

Other Information

SHARE OPTION SCHEME (CONTINUED)

Following the expiry of the 2012 Share Option Scheme, the Company passed a resolution at the 2022 annual general meeting held on 14 June 2022 to adopt the 2022 Share Option Scheme to continue recognizing the contributions or services of eligible participants. Unless otherwise terminated or amended, the 2022 Share Option Scheme will remain in force for 10 years.

The movements in the Company's share options during the six months ended 30 June 2026 are disclosed as follows:

Name of grantees	Date of grant	Exercise price per share HK\$	Exercise period	Number of share options				As at 30 June 2026
				As at 1 January 2026	Granted during the period	Exercised during the period	Lapsed/ cancelled during the period	
Directors								
Lam Gee Yu, Will	3 December 2018	1.76	3 December 2019 to 2 December 2028	1,250,000	–	–	–	1,250,000
			3 December 2020 to 2 December 2028	1,250,000	–	–	–	1,250,000
				2,500,000	–	–	–	2,500,000
Lam Din Yu, Well	3 December 2018	1.76	3 December 2019 to 2 December 2028	1,250,000	–	–	–	1,250,000
			3 December 2020 to 2 December 2028	1,250,000	–	–	–	1,250,000
				2,500,000	–	–	–	2,500,000
			Total	5,000,000	–	–	–	5,000,000

Note:

The vesting period of the share options is from the date of grant until the commencement of the exercise period.

Other Information

SHARE OPTION SCHEME (CONTINUED)

Save as disclosed above, no share options of the Company were granted, exercised, lapsed or cancelled during the period.

As at 30 June 2026, no share option has been granted under the 2022 Share Option Scheme. The total number of share options available for issue under the 2022 Share Option Scheme is 30,561,542, representing 10% of the issued share capital of the Company. Further information of the 2022 Share Option Scheme is set out in note 17 to the condensed consolidated financial statements.

Apart from the 2012 Share Option Scheme or the 2022 Share Option Scheme, during the six months ended 30 June 2026, no rights were granted to the Directors, Chief Executives or those of the Company's subsidiaries, or any of their spouses or children under 18 years of age to subscribe for equity or debt securities of the Company or its subsidiaries.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2026, the following substantial shareholders, other than Directors and Chief Executives, had the interests and short positions in the shares and underlying shares of the Company that had been disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, and recorded in the register kept by the Company pursuant to section 336 of SFO:

Long Positions in the Ordinary Shares of the Company

Name of Shareholders	Notes	Capacity	Number of Ordinary shares held	Percentage of the Company's issued share capital (Note 3)
Leung Shuk Bing	1	Interest of spouse	224,355,361	73.41%
Hinton Company Limited	2	Beneficial owner	171,363,620	56.07%
High Fashion Charitable Foundation Limited	2	Beneficial owner	51,201,840	16.75%

Other Information

SUBSTANTIAL SHAREHOLDERS (CONTINUED)

Long Positions in the Ordinary Shares of the Company (Continued)

Notes:

1. Ms. Leung Shuk Bing is the spouse of Mr. Lam Foo Wah and is deemed to have interests in 224,355,361 ordinary shares.
2. Such interests have been disclosed as interests of Mr. Lam Foo Wah in the “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures” above.
3. The issued share capital of the Company is 305,615,420 shares as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, no person, other than the Directors or Chief Executives, whose interests are set out in the section “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures” above, had a long or short position in the shares, underlying shares and debentures of the Company that was required to be recorded pursuant to section 336 of the SFO.

Corporate Information

High Fashion International Limited is a company incorporated in Bermuda with limited liability.

BOARD OF DIRECTORS

Executive Directors

Mr. Lam Foo Wah (*Chairman*)
Mr. Lam Gee Yu, Will (*Managing Director*)
Mr. Lam Din Yu, Well
(*Managing Director (China)*)

Non-executive Directors

Ms. Leung Wing Man, Mabel
Mr. Lau Yip Shing

Independent Non-executive Directors

Mr. Chung Kwok Pan
Mr. Tong Hee Keung, Samuel
Mr. Wong Chun Sek, Edmund

AUDIT COMMITTEE

Mr. Wong Chun Sek, Edmund (*Chairman*)
Mr. Lau Yip Shing
Mr. Chung Kwok Pan
Mr. Tong Hee Keung, Samuel

REMUNERATION COMMITTEE

Mr. Chung Kwok Pan (*Chairman*)
Mr. Lam Gee Yu, Will
Mr. Wong Chun Sek, Edmund

NOMINATION COMMITTEE

Mr. Lam Foo Wah (*Chairman*)
Ms. Leung Wing Man, Mabel
Mr. Chung Kwok Pan
Mr. Tong Hee Keung, Samuel
Mr. Wong Chun Sek, Edmund

RISK MANAGEMENT COMMITTEE

Mr. Lam Gee Yu, Will (*Chairman*)
Mr. Lam Din Yu, Well
Ms. Leung Wing Man, Mabel
Mr. Lau Yip Shing
Mr. Chung Kwok Pan
Mr. Tong Hee Keung, Samuel
Mr. Wong Chun Sek, Edmund

Corporate Information

COMPANY SECRETARY

Ms. Cheuk Chui King

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

REGISTERED OFFICE

Richmond House, 12 Par-la-Ville Road,
Hamilton HM 08, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

11/F., High Fashion Centre,
1–11 Kwai Hei Street, Kwai Chung,
New Territories, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Richmond House, 12 Par-la-Ville Road,
Hamilton HM 08, Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre,
16 Harcourt Road, Hong Kong

COMPANY WEBSITE

www.highfashion.com.hk