



WING ON COMPANY INTERNATIONAL LIMITED

永安國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 289)

INTERIM REPORT

2025

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CORPORATE INFORMATION

BOARD OF DIRECTORS

The Board of Directors as now constituted is listed below:

Executive Directors

Mr. Kwok Chi Leung Karl, BBS, MH (Chairman)
Mr. Kwok Chi Hang Lester, J.P. (Deputy Chairman and Chief Executive Officer)
Dr. Kwok Chi Piu Bill, J.P.
Mr. Kwok Chi Yat

Independent Non-executive Directors

Miss Tam Wai Chu Maria, GBM, GBS, J.P.
Mr. Leung Wing Ning
Mr. Nicholas James Debnam
Ms. Tsoi Siu Ting Annie (Appointed on 1 September 2025)

Alternate Directors

Mr. Kwok Stuart Wing-ching
(Alternate Director to Mr. Kwok Chi Leung Karl, appointed on 1 January 2025)
Mr. Kwok Wing Tai Dennis
(Alternate Director to Mr. Kwok Chi Hang Lester, appointed on 1 January 2025)
Mr. Kwok Kendrick Wing-kay
(Alternate Director to Dr. Kwok Chi Piu Bill, appointed on 1 January 2025)
Mr. Kwok Gareth Wing-sien
(Alternate Director to Mr. Kwok Chi Yat, appointed on 1 January 2025)

AUDIT COMMITTEE

Mr. Nicholas James Debnam (Chairman)
Miss Tam Wai Chu Maria
Mr. Leung Wing Ning

REMUNERATION COMMITTEE

Mr. Leung Wing Ning (Chairman)
Mr. Kwok Chi Leung Karl
Mr. Nicholas James Debnam

NOMINATION COMMITTEE

Mr. Leung Wing Ning (Chairman)
Mr. Kwok Chi Leung Karl
Mr. Nicholas James Debnam
Ms. Tsoi Siu Ting Annie (Appointed on 1 September 2025)

CORPORATE INFORMATION

(Continued)

AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor
registered in accordance with the
Accounting and Financial Reporting Council Ordinance
8th Floor, Prince's Building,
10 Chater Road, Central,
Hong Kong.

COMPANY SECRETARY

Mr. Sin Kar Tim
7th Floor, Wing On Centre,
211 Des Voeux Road Central,
Hong Kong.

REGISTERED OFFICE

Victoria Place, 5th Floor,
31 Victoria Street,
Hamilton HM 10,
Bermuda.

PRINCIPAL OFFICE

7th Floor, Wing On Centre,
211 Des Voeux Road Central,
Hong Kong.
Website: www.wingon.hk

SHARE REGISTRARS

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

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court, 22 Victoria Street,
PO Box HM 1179, Hamilton HM EX,
Bermuda.

CHAIRMAN'S STATEMENT

INTERIM RESULTS AND DIVIDEND

For the six months ended 30 June 2025, the Group's revenue was HK\$416.2 million (2024: HK\$480.0 million), a decrease of 13.3% due mainly to the decrease in the Group's department stores revenue and property investment income.

The Group recorded a loss attributable to shareholders of HK\$150.3 million for the six months ended 30 June 2025 (2024: HK\$239.6 million). Such reduction in loss was mainly attributable to the gain from the Group's investment portfolio of HK\$219.8 million for the period as compared to a gain of HK\$127.8 million for the corresponding period in 2024. During the six months ended 30 June 2025, the Group recorded a net valuation loss of HK\$470.5 million (2024: HK\$515.8 million) on the Group's investment properties. Excluding the net valuation loss on investment properties and related deferred tax thereon, the Group's underlying profit attributable to shareholders increased by 27.2% to HK\$321.2 million for the six months ended 30 June 2025 (2024: HK\$252.6 million).

Loss per share for the six months ended 30 June 2025 was 51.9 HK cents (2024: 82.5 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 111.0 HK cents (2024: 87.0 HK cents) per share.

The directors have decided to pay an interim dividend of 43 HK cents (2024: 32 HK cents) per share, absorbing a total amount of HK\$124,378,000 (2024: HK\$92,744,000). The interim dividend will be paid on Friday, 24 October 2025 to shareholders on the register of members of the Company on Friday, 10 October 2025. The register of members of the Company will be closed from Monday, 6 October 2025 to Friday, 10 October 2025, 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 4:00 p.m. on Friday, 3 October 2025.

CHAIRMAN'S STATEMENT

(Continued)

LIQUIDITY AND FINANCIAL RESOURCES

Overall Financial Position

Shareholders' equity at 30 June 2025 was HK\$16,728.4 million, a decrease of 0.6% as compared to HK\$16,833.2 million at 31 December 2024. With cash and listed marketable securities of HK\$3,624.3 million at 30 June 2025 (at 31 December 2024: HK\$3,256.7 million) as well as available banking facilities, the Group has sufficient liquidity to meet its current commitments and working capital requirements.

Borrowings and Charges on the Group's Assets

At 30 June 2025, the Group's total borrowings amounted to HK\$65.0 million (at 31 December 2024: HK\$59.3 million), which related to a one-year term loan denominated in Japanese Yen for the Group's investment in trading securities. Certain assets, comprising cash and bank balances and trading securities with an aggregate carrying value of HK\$178.5 million (at 31 December 2024: HK\$158.3 million), were pledged to the bank as collateral security for such borrowings. The entire borrowings were repaid on the maturity date of 28 July 2025. In view of the existing strong cash position, the Group does not anticipate any liquidity problems.

Gearing Ratio

The gearing ratio, which is computed from the total borrowings of the Group divided by shareholders' equity of the Group at 30 June 2025, was 0.4% (at 31 December 2024: 0.4%).

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\$3,388.4 million at 30 June 2025 (at 31 December 2024: HK\$3,151.4 million). The Group's cash and bank balances are mainly denominated in Hong Kong dollar, United States dollar and Australian dollar.

Capital Commitments and Contingent Liabilities

At 30 June 2025, the Group's capital commitments amounted to HK\$26.8 million (at 31 December 2024: HK\$58.1 million). The Group had no contingent liabilities at 30 June 2025 and 31 December 2024.

HALF YEAR BUSINESS REVIEW

Department Stores Operation

During the first half of 2025, the retail sector in Hong Kong encountered persistent challenges due to sustained outbound travel, increased cross-border shopping and entertainment, and changing shopping habits of Mainland visitors. Furthermore, traditional retailers in Hong Kong are encountering competition from Mainland e-commerce businesses and other budget-friendly stores, which are expanding their presence in Hong Kong, providing a broader range of inexpensive products and services.

CHAIRMAN'S STATEMENT

(Continued)

HALF YEAR BUSINESS REVIEW (Continued)

Department Stores Operation (Continued)

For the six months ended 30 June 2025, the Group's department stores recorded a revenue of HK\$232.8 million, a 14.5% decline from HK\$272.2 million for the same period in 2024. The revenue decline was primarily attributed to a decrease in in-store customer traffic and diminished consumer spending. Overall, the department stores incurred an operating loss of HK\$38.5 million (2024: HK\$27.0 million), due mainly to the decline in revenue.

During the period under review, the Group completed the renovation of the premises of its wing on *Plus* branch store on Nathan Road. Acknowledging the changes in retail conditions and consumer shopping patterns, the Group has endeavoured to adjust its department stores' offerings to meet the changing requirements of its customers. Nevertheless, the prevailing market downturn impacted the pace of our implementation.

Property Investment

For the six months ended 30 June 2025, the Group's property investment income was HK\$158.8 million (2024: HK\$192.5 million). Net income from the Group's commercial investment properties in Hong Kong decreased by 13.2% to HK\$124.8 million (2024: HK\$143.8 million) which was mainly due to the lower rentals achieved for new leases and lease renewals and a decrease in average occupancy rate. The overall occupancy rate of the Group's commercial investment properties in Hong Kong stayed at approximately 89% at 30 June 2025 (at 30 June 2024: 91%). Net income from the Group's commercial office properties in Melbourne, Australia decreased by 28.4% to HK\$35.5 million (2024: HK\$49.6 million). The decrease was attributable mainly to the reduction in occupancy rate to approximately 76% at 30 June 2025 (at 30 June 2024: 85%). Net income in terms of Australian currency decreased by 25.7%.

In order to maintain its status as a premium grade office building, the Group has commenced a feasibility study to improve the building facilities and amenities of the Group's commercial office property at 333 Collins Street in Melbourne, Australia. The enhancement project, which will be carried out in phases over several years, will include upgrades to the main lobby and office floors, as well as the additions of a range of premium facilities and essential amenities. The concept design is expected to be finalised by the end of 2025.

CHAIRMAN'S STATEMENT

(Continued)

HALF YEAR BUSINESS REVIEW (Continued)

Interest in an Associate

For the six months ended 30 June 2025, the Group recorded a share of loss after tax from the associate's automobile dealership interest in the People's Republic of China of HK\$4.7 million (2024: HK\$16.2 million). Overall, the Group recorded a share of loss after tax from the associate of HK\$2.4 million (2024: HK\$12.6 million) for the six months ended 30 June 2025.

Others

At 30 June 2025, the Group's investment portfolio amounted to HK\$2,355.6 million (at 31 December 2024: HK\$2,208.6 million), which comprised of equity and debt securities, investment funds, strategies managed by professional investment managers, and structured products. For the six months ended 30 June 2025, the Group's investment portfolio recorded a gain of HK\$219.8 million, mainly arising from the gain on remeasurement to fair value of trading securities and on disposal of trading securities (2024: HK\$127.8 million). The Group recorded a net foreign exchange gain of HK\$16.0 million (2024: a net loss of HK\$2.7 million) from its holdings of foreign currencies.

STAFF

At 30 June 2025, the Group had a total staff of 517 (at 31 December 2024: 531). The Group's remuneration policies, bonus schemes, the Mandatory Provident Fund Schemes, etc., have not changed materially from the information disclosed in the 2024 Annual Report.

OUTLOOK FOR THE REMAINDER OF 2025

In view of intense competition among retailers and weak consumer sentiment, the Group anticipates that its department stores business will continue to face challenges in the remainder of the year. The Group will make significant efforts to manage its operating expenses, while striving to adjust its merchandise mix to meet the preferences of its customers. The Group's investment properties in Hong Kong and Melbourne will continue to generate rental income in line with market conditions, although the office leasing markets in Hong Kong and Melbourne are expected to remain weak. With the Group's strong financial position, the Group is confident that it can meet the challenges ahead.

Kwok Chi Leung Karl
Chairman

Hong Kong, 26 August 2025

INDEPENDENT REVIEW REPORT TO THE BOARD OF DIRECTORS OF WING ON COMPANY INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 8 to 36, which comprises the consolidated statement of financial position of Wing On Company International Limited as of 30 June 2025 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 Interim financial reporting as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors are responsible for the preparation and presentation of this interim financial report in accordance with HKAS 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 Review of interim financial information performed by the independent auditor of the entity as issued by the HKICPA. A review of interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with HKAS 34 Interim financial reporting.

KPMG

Certified Public Accountants
8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong

26 August 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025 – unaudited

(Expressed in Hong Kong dollars)

		Six months ended 30 June	
		2025	2024
		\$'000	\$'000
	Note		
Revenue	3(a)	416,238	479,998
Other revenue	4	60,331	76,987
Other net gain	4	220,817	106,678
Cost of department store sales	5(d)	(106,885)	(122,594)
Cost of property leasing activities	5(b)	(55,324)	(53,166)
Other operating expenses	5(c)	(180,134)	(183,595)
Profit from operations		355,043	304,308
Finance costs	5(a)	(1,313)	(1,792)
		353,730	302,516
Net valuation loss on investment properties	8(a)	(470,513)	(515,758)
		(116,783)	(213,242)
Share of loss of an associate		(2,438)	(12,566)
Loss before taxation	5	(119,221)	(225,808)
Income tax	6	(29,944)	(17,051)
Loss for the period		(149,165)	(242,859)
Attributable to:			
Shareholders of the Company		(150,288)	(239,576)
Non-controlling interests		1,123	(3,283)
Loss for the period		(149,165)	(242,859)
Basic and diluted loss per share	7(a)	(51.9) cents	(82.5) cents

The notes on pages 16 to 36 form part of this interim financial report. Details of dividends payable to shareholders of the Company are set out in note 13(a).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025 – unaudited

(Expressed in Hong Kong dollars)

	Six months ended 30 June			
	2025		2024	
	\$'000	\$'000	\$'000	\$'000
Loss for the period		(149,165)		(242,859)
Other comprehensive income for the period (with nil tax effect and after reclassification adjustments):				
Item that will not be reclassified subsequently to profit or loss:				
– other investments at fair value through other comprehensive income		6,300		(742)
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation adjustments:				
– exchange differences on translation of financial statements of subsidiaries outside Hong Kong	194,347		(81,177)	
– share of exchange differences on translation of financial statements of an associate outside Hong Kong	2,180		(2,399)	
		196,527		(83,576)
Other comprehensive income for the period		202,827		(84,318)
Total comprehensive income for the period		53,662		(327,177)
Attributable to:				
Shareholders of the Company		52,259		(323,886)
Non-controlling interests		1,403		(3,291)
Total comprehensive income for the period		53,662		(327,177)

The notes on pages 16 to 36 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 – unaudited
(Expressed in Hong Kong dollars)

		At 30 June 2025 \$'000	At 31 December 2024 \$'000
	Note		
Non-current assets			
Investment properties	8	12,606,565	12,873,724
Other property, plant and equipment		<u>334,904</u>	<u>334,645</u>
		12,941,469	13,208,369
Interest in an associate	9	123,259	308,586
Other investments		126,525	120,225
Prepayments	10	<u>12,400</u>	<u>5,840</u>
		<u>13,203,653</u>	<u>13,643,020</u>
Current assets			
Trading securities		2,355,572	2,208,591
Inventories		67,920	70,621
Debtors, deposits and prepayments	10	72,121	57,498
Amounts due from fellow subsidiaries		25,916	5,821
Current tax recoverable		10,668	3,057
Cash and bank balances	11	<u>2,410,507</u>	<u>2,079,994</u>
		<u>4,942,704</u>	<u>4,425,582</u>
Current liabilities			
Creditors and accrued charges	12	423,270	296,782
Contract liabilities		19,272	19,855
Secured bank loan		65,040	59,280
Lease liabilities		18,448	17,814
Amounts due to fellow subsidiaries		1,381	2,015
Current tax payable		<u>17,392</u>	<u>8,899</u>
		<u>544,803</u>	<u>404,645</u>
Net current assets		<u>4,397,901</u>	<u>4,020,937</u>
Total assets less current liabilities carried forward		<u>17,601,554</u>	<u>17,663,957</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 – unaudited
(Continued)
(Expressed in Hong Kong dollars)

		At 30 June 2025 \$'000	At 31 December 2024 \$'000
	Note		
Total assets less current liabilities brought forward		17,601,554	17,663,957
		-----	-----
Non-current liabilities			
Lease liabilities		9,730	19,107
Long service payment liabilities		3,462	3,462
Deferred tax liabilities		833,438	783,040
		-----	-----
		846,630	805,609
		-----	-----
NET ASSETS		16,754,924	16,858,348
		=====	=====
Capital and reserves			
Share capital	13(b)	28,925	28,958
Reserves		16,699,480	16,804,274
		-----	-----
Total equity attributable to shareholders of the Company		16,728,405	16,833,232
Non-controlling interests		26,519	25,116
		-----	-----
TOTAL EQUITY		16,754,924	16,858,348
		=====	=====

The notes on pages 16 to 36 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025 – unaudited

(Expressed in Hong Kong dollars)

Attributable to shareholders of the Company										
Note	Share capital	Land and building revaluation reserve	Investment revaluation reserve	Exchange reserve	Contributed surplus	General reserve fund	Retained earnings (Note)	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2025	28,958	278,710	105,307	(715,126)	754,347	3,111	16,377,925	16,833,232	25,116	16,858,348
Changes in equity for 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 13(b)										
– 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 13(a)(ii)	-	-	-	-	-	-	(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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025 – unaudited

(Continued)

(Expressed in Hong Kong dollars)

Attributable to shareholders of the Company										
Note	Share capital	Land and building revaluation reserve	Investment revaluation reserve	Exchange reserve	Contributed surplus	General reserve fund	Retained earnings	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2024	29,042	278,710	104,719	(388,389)	754,347	3,111	17,574,290	18,355,830	29,502	18,385,332
Changes in equity for the six months ended 30 June 2024										
Loss for the period	-	-	-	-	-	-	(239,576)	(239,576)	(3,283)	(242,859)
Other comprehensive income for the period	-	-	(742)	(83,568)	-	-	-	(84,310)	(8)	(84,318)
Total comprehensive income for the period	-	-	(742)	(83,568)	-	-	(239,576)	(323,886)	(3,291)	(327,177)
Purchase of own shares 13(b)										
– par value paid	(38)	-	-	-	-	-	-	(38)	-	(38)
– premium and transaction costs paid	-	-	-	-	-	-	(4,469)	(4,469)	-	(4,469)
Dividends approved and payable in respect of the previous year 13(a)(ii)	-	-	-	-	-	-	(174,057)	(174,057)	-	(174,057)
	(38)	-	(742)	(83,568)	-	-	(418,102)	(502,450)	(3,291)	(505,741)
At 30 June 2024	29,004	278,710	103,977	(471,957)	754,347	3,111	17,156,188	17,853,380	26,211	17,879,591

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025 – unaudited

(Continued)

(Expressed in Hong Kong dollars)

Attributable to shareholders of the Company										
Note	Share capital	Land and building revaluation reserve	Investment revaluation reserve	Exchange reserve	Contributed surplus	General reserve fund	Retained earnings (Note)	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2024	29,004	278,710	103,977	(471,957)	754,347	3,111	17,156,188	17,853,380	26,211	17,879,591
Changes in equity for the six months ended 31 December 2024										
Loss for the period	-	-	-	-	-	-	(679,532)	(679,532)	(945)	(680,477)
Other comprehensive income for the period	-	-	1,330	(243,169)	-	-	(492)	(242,331)	(150)	(242,481)
Total comprehensive income for the period	-	-	1,330	(243,169)	-	-	(680,024)	(921,863)	(1,095)	(922,958)
Purchase of own shares										
– par value paid	(46)	-	-	-	-	-	-	(46)	-	(46)
– premium and transaction costs paid	-	-	-	-	-	-	(5,495)	(5,495)	-	(5,495)
Dividends declared and paid in respect of the current year	13(a)(i)	-	-	-	-	-	(92,744)	(92,744)	-	(92,744)
	(46)	-	1,330	(243,169)	-	-	(778,263)	(1,020,148)	(1,095)	(1,021,243)
At 31 December 2024	28,958	278,710	105,307	(715,126)	754,347	3,111	16,377,925	16,833,232	25,116	16,858,348

Note:

Retained earnings attributable to shareholders of the Company at 30 June 2025 include the aggregate net valuation gain relating to investment properties after deferred tax of \$9,956,860,000 (at 31 December 2024: \$10,428,347,000).

The notes on pages 16 to 36 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025 – unaudited
(Expressed in Hong Kong dollars)

		Six months ended 30 June	
		2025	2024
	Note	\$'000	\$'000
Operating activities			
Loss before taxation		(119,221)	(225,808)
Adjustments for:			
Net valuation loss on investment properties		470,513	515,758
Depreciation and amortisation		37,673	41,836
Interest and dividend income		(56,869)	(71,410)
Share of loss of an associate		2,438	12,566
Increase in trading securities		(146,981)	(113,923)
Other cash flows arising from operating activities		(72,099)	(55,985)
Cash generated from operations		115,454	103,034
Tax paid		(23,291)	(27,515)
Net cash generated from operating activities		92,163	75,519
Investing activities			
Payment for purchases of investment properties and other property, plant and equipment		(33,525)	(49,154)
Decrease in pledged bank balances		16,402	–
Decrease in bank deposits with more than three months to maturity when placed		277,300	29,104
Dividends and distributions from an associate	9	185,069	–
Other cash flows arising from investing activities		50,390	71,423
Net cash generated from investing activities		495,636	51,373
Financing activities			
Cash flows arising from financing activities		(13,696)	(14,469)
Net cash used in financing activities		(13,696)	(14,469)
Net increase in cash and cash equivalents		574,103	112,423
Cash and cash equivalents at 1 January		1,574,267	1,721,409
Effect of foreign exchange rate changes		29,939	(3,345)
Cash and cash equivalents at 30 June	11	2,178,309	1,830,487

The notes on pages 16 to 36 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise stated)

1. Basis of preparation

This 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 (“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 2025.

This interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 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 policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated interim 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 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

This interim financial report is unaudited, but has been reviewed by 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. KPMG’s independent review report to the Board of Directors is included on page 7. In addition, this interim financial report has been reviewed by the Company’s Audit Committee.

The financial information relating to the financial year ended 31 December 2024 that is included in this 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 2024 are available from the websites of the Company and the Stock Exchange. The auditor has expressed an unqualified opinion on those financial statements in their independent auditor’s report dated 25 March 2025.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

2. Changes in accounting policies

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

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

3. Revenue and segment reporting

(a) 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	
	2025	2024
	\$'000	\$'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	152,162	179,137
– Net income from concession sales	59,700	68,023
– Net income from consignment sales	20,896	25,044
	<u>232,758</u>	<u>272,204</u>
Property investment (recognised over time)		
– Building management fees and other rental related income	24,368	27,652
Under the scope of HKFRS 16, Leases:		
Property investment		
– Rentals from investment properties	<u>159,112</u>	<u>180,142</u>
	<u>416,238</u>	<u>479,998</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

3. Revenue and segment reporting (Continued)

(b) 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 of America ("USA").

(i) 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 trade and other creditors, accrued charges, lease liabilities, contract 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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

3. Revenue and segment reporting (Continued)

(b) Segment reporting (Continued)

(i) Segment results, assets and liabilities (Continued)

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	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	232,758	272,204	183,480	207,794	416,238	479,998
Inter-segment revenue	–	–	43,286	55,390	43,286	55,390
Reportable segment revenue	232,758	272,204	226,766	263,184	459,524	535,388
Reportable segment profit/(loss)	(38,514)	(27,041)	158,810	192,545	120,296	165,504
Interest on lease liabilities	1,171	1,792	–	–	1,171	1,792
Depreciation and amortisation	15,930	12,984	21,554	28,501	37,484	41,485

	Department stores		Property investment		Total	
	At 30 June 2025	At 31 December 2024	At 30 June 2025	At 31 December 2024	At 30 June 2025	At 31 December 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reportable segment assets	225,655	219,570	12,852,644	13,116,577	13,078,299	13,336,147
Additions to non-current segment assets during the period/year	23,798	73,435	17,238	17,377	41,036	90,812
Reportable segment liabilities	171,957	213,746	96,092	101,199	268,049	314,945

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

3. Revenue and segment reporting (Continued)

(b) Segment reporting (Continued)

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

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Profit		
Reportable segment profit	120,296	165,504
Other revenue	60,331	76,987
Other net gain	220,817	106,678
Finance costs	(1,313)	(1,792)
Net valuation loss on investment properties	(470,513)	(515,758)
Share of loss of an associate	(2,438)	(12,566)
Unallocated head office and corporate expenses	(46,401)	(44,861)
	<u>(119,221)</u>	<u>(225,808)</u>
Consolidated loss before taxation	<u>(119,221)</u>	<u>(225,808)</u>
	At	At
	30 June	31 December
	2025	2024
	\$'000	\$'000
Assets		
Reportable segment assets	13,078,299	13,336,147
Elimination of inter-segment receivables	(3,533)	(3,533)
	<u>13,074,766</u>	<u>13,332,614</u>
Interest in an associate	123,259	308,586
Other investments	126,525	120,225
Trading securities	2,355,572	2,208,591
Current tax recoverable	10,668	3,057
Unallocated head office and corporate assets	2,455,567	2,095,529
	<u>18,146,357</u>	<u>18,068,602</u>
Consolidated total assets	<u>18,146,357</u>	<u>18,068,602</u>
Liabilities		
Reportable segment liabilities	268,049	314,945
Elimination of inter-segment payables	(3,533)	(3,533)
	<u>264,516</u>	<u>311,412</u>
Secured bank loan	65,040	59,280
Current tax payable	17,392	8,899
Deferred tax liabilities	833,438	783,040
Unallocated head office and corporate liabilities	211,047	47,623
	<u>1,391,433</u>	<u>1,210,254</u>
Consolidated total liabilities	<u>1,391,433</u>	<u>1,210,254</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

4. Other revenue and other net gain

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Other revenue		
Interest income from bank deposits	38,896	49,882
Dividend income from investments in securities	13,331	15,619
Interest income from investments in securities	4,642	5,909
Others	3,462	5,577
	<u>60,331</u>	<u>76,987</u>
	Six months ended 30 June	2024
	2025	2024
	\$'000	\$'000
Other net gain		
Net gain on remeasurement to fair value of trading securities	158,238	79,129
Net gain on disposal of trading securities	46,773	30,214
Net foreign exchange gain/(loss)	16,008	(2,655)
Net loss on disposal of plant and equipment	(202)	(10)
	<u>220,817</u>	<u>106,678</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

5. Loss before taxation

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

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
(a) Finance costs		
Interest on lease liabilities	1,171	1,792
Interest on secured bank loan	142	–
	<u>1,313</u>	<u>1,792</u>
(b) Rentals receivable from investment properties		
Income from property investment	(183,480)	(207,794)
Less: direct outgoings	<u>55,324</u>	<u>53,166</u>
	<u>(128,156)</u>	<u>(154,628)</u>
(c) Other operating expenses, include		
Staff costs (excluding directors' emoluments)		
– salaries, wages and other benefits	96,547	94,912
– contributions to defined contribution retirement plans	<u>4,538</u>	<u>4,484</u>
	101,085	99,396
Less: included in cost of property leasing activities	<u>(1,189)</u>	<u>(1,918)</u>
	<u>99,896</u>	<u>97,478</u>
Depreciation		
– owned plant and equipment	8,654	5,833
– right-of-use assets	16,552	21,531
Directors' emoluments	14,483	14,663
Electricity, water and gas	3,746	3,745
Advertising expenses	2,991	3,893
Credit card commission	2,624	2,422
Government rent and rates	2,411	2,574
Information technology expenses	<u>2,347</u>	<u>3,308</u>
(d) Other items		
Amortisation on lease incentives	12,467	14,472
Cost of inventories sold	<u>106,885</u>	<u>122,594</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

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

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Current tax - Hong Kong Profits Tax		
Provision for the period	18,028	22,221
Current tax – Outside Hong Kong		
Provision for the period	6,575	11,990
Deferred tax		
Origination and reversal of temporary differences		
– changes in fair value of investment properties	(35)	(20,167)
– other temporary differences	5,376	3,007
	5,341	(17,160)
Total income tax expense	29,944	17,051

The provision for Hong Kong Profits Tax is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the six months ended 30 June 2025, 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 \$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

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

7. 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 2025 of \$150,288,000 (2024: \$239,576,000) divided by the weighted average of 289,349,000 shares (2024: 290,252,000 shares) in issue during the interim period.

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

7. Basic and diluted loss per share (Continued)

(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			
	2025	(Loss)/ earnings per share	2024	(Loss)/ earnings per share
	\$'000	cents	\$'000	cents
Loss attributable to shareholders of the Company as shown in the consolidated statement of profit or loss	(150,288)	(51.9)	(239,576)	(82.5)
Add: net valuation loss on investment properties	470,513	162.6	515,758	177.7
Less: decrease in deferred tax liabilities in relation to the net valuation loss on investment properties	(35)	(0.0)	(20,167)	(7.0)
	320,190	110.7	256,015	88.2
Add/(less): valuation gain/(loss) on investment property net of related deferred tax attributable to non-controlling interests	1,009	0.3	(3,403)	(1.2)
Underlying profit attributable to shareholders of the Company	321,199	111.0	252,612	87.0

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

8. Investment properties

(a) Fair value measurement of investment properties

Investment properties of the Group situated in Australia were revalued at 30 June 2025 by M3 Property Australia Pty. Ltd., Certified Practising Valuers, who have among their staff members of the Australian Property Institute. Investment properties of the Group situated in Hong Kong and the USA were revalued at 30 June 2025 by the directors with reference to the market updates from firms of independent surveyors to update the professional valuations that were carried out at 31 December 2024.

As a result, net valuation loss of \$470,513,000 (2024: \$515,758,000) and credit of deferred tax of \$35,000 (2024: \$20,167,000) thereon have been included in the consolidated statement of profit or loss for the six months ended 30 June 2025.

(b) Investment properties leased out under operating leases

The Group's total future undiscounted lease payments receivable under non-cancellable operating leases are as follows:

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Within one year	295,501	285,984
After one year but within two years	187,782	210,678
After two years but within three years	79,254	110,206
After three years but within four years	37,079	33,903
After four years but within five years	20,001	18,040
After five years	62,160	30,996
	<u>681,777</u>	<u>689,807</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

9. Interest in an associate

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Unlisted shares		
Share of net assets other than intangible assets	119,782	304,898
Share of intangible assets of an associate	3,477	3,688
	<u>123,259</u>	<u>308,586</u>

During the six months ended 30 June 2025, the Group received dividends and distributions of \$185,069,000 (2024: nil) from the associate.

10. Debtors, deposits and prepayments

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Trade debtors, net of loss allowance	10,312	11,276
Other debtors	18,144	13,692
Deposits and prepayments	56,065	38,370
	<u>84,521</u>	<u>63,338</u>
Represented by:		
Non-current portion	12,400	5,840
Current portion	72,121	57,498
	<u>84,521</u>	<u>63,338</u>

All current portion of debtors, deposits and prepayments of the Group, apart from certain rental deposits totalling \$14,850,000 (at 31 December 2024: \$16,387,000), are expected to be recovered or recognised as an expense within one year.

The non-current portion of prepayments of the Group represents the advance payments for purchases of other property, plant and equipment.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

10. Debtors, deposits and prepayments (Continued)

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 2025 \$'000	At 31 December 2024 \$'000
Current (not past due) or less than one month past due	9,728	10,750
One to three months past due	151	265
More than three months but less than twelve months past due	433	261
	<u>10,312</u>	<u>11,276</u>

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

11. Cash and bank balances

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Cash at bank and in hand	409,878	437,373
Pledged bank balances	40,456	56,858
Bank deposits		
– within three months to maturity when placed	1,768,431	1,136,894
– more than three months to maturity when placed	191,742	448,869
Cash and bank balances in the consolidated statement of financial position	2,410,507	2,079,994
Less: pledged bank balances	(40,456)	(56,858)
Less: bank deposits with more than three months to maturity when placed	(191,742)	(448,869)
Cash and cash equivalents in the condensed consolidated statement of cash flows	<u>2,178,309</u>	<u>1,574,267</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

12. Creditors and accrued charges

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Trade and other creditors	369,371	246,574
Accrued charges	53,899	50,208
	<u>423,270</u>	<u>296,782</u>

All creditors and accrued charges of the Group, apart from certain rental deposits received totalling \$43,053,000 (at 31 December 2024: \$41,007,000), are expected to be settled or recognised as income within one year or are repayable on demand.

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 2025 \$'000	At 31 December 2024 \$'000
Amounts not yet due	181,072	196,597
On demand or less than one month overdue	187,626	47,103
One to three months overdue	200	2,636
More than three months but less than twelve months overdue	305	76
More than twelve months overdue	168	162
	<u>369,371</u>	<u>246,574</u>

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

13. Capital, reserves and dividends

(a) Dividends

- (i) Dividends payable to shareholders of the Company attributable to the interim period:

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Interim dividend:		
– declared after the interim period	124,378	92,812
– attributable to shares purchased in July and September 2024	–	(68)
Interim dividend payable after the interim period of 43 cents (2024: 32 cents) per share	<u>124,378</u>	<u>92,744</u>

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.

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

13. Capital, reserves and dividends (Continued)

(b) Purchase of own shares

(i) Shares purchased and cancelled

During the six months ended 30 June 2025, the Company purchased its own shares on the Stock Exchange as follows:

Month/year	Number of shares purchased	Aggregate price paid \$'000	Highest price paid per share \$	Lowest price paid per share \$
January 2025	129,000	1,520	11.80	11.78
February 2025	53,000	623	11.82	11.68
March 2025	59,000	692	11.72	11.70
April 2025	63,000	724	11.62	11.40
May 2025	18,000	208	11.56	11.56
	<u>322,000</u>	<u>3,767</u>		

Pursuant to section 42A of the Bermuda Companies Act 1981, the above purchased shares were cancelled upon purchase and the issued share capital of the Company was reduced by the nominal value of these shares of \$33,000 (2024: \$38,000) for the six months ended 30 June 2025 accordingly. The premium and transaction costs paid on the purchase of the shares of \$3,734,000 (2024: \$4,451,000) and \$15,000 (2024: \$18,000) respectively were charged against retained earnings for the six months ended 30 June 2025.

- (ii) The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

14. Fair value measurement of financial instruments

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

The following tables present the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	Fair value at 30 June 2025 \$'000	Fair value measurements at 30 June 2025 categorised into			Fair value at 31 December 2024 \$'000	Fair value measurements at 31 December 2024 categorised into		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements								
Assets								
Other investments	126,525	–	–	126,525	120,225	–	–	120,225
Trading securities	2,355,572	1,213,752	1,141,820	–	2,208,591	1,176,679	1,031,912	–

During the six months ended 30 June 2025 and the year ended 31 December 2024, there were no transfers between financial instruments in different levels. The Group's policy is to recognise transfers between levels of fair value hierarchy at the end of the reporting period in which they occur.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

14. Fair value measurement of financial instruments (Continued)

(a) Financial assets and liabilities measured at fair value (Continued)

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The trading securities in Level 2 represent investment funds and structured products. The fair value of investment funds is based on prices quoted by financial institutions with reference to the quoted price in an active market of the listed securities comprising the fund portfolio being valued. The fair value of structured products is based on indicative prices provided by financial institutions, reflecting market conditions and derived using proprietary pricing models with inputs including risk-free rate and expected volatility of the underlying listed securities.

(iii) Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Range
Other investments	Adjusted net assets	Discount for lack of marketability	40% (at 31 December 2024: 40%)
		Minority discount	15% (at 31 December 2024: 15%)
		Control premium	10% (at 31 December 2024: 10%)

The fair value of other investments is determined using the net assets value adjusted for lack of marketability discount and minority discount and the quoted price in an active market of a listed equity instrument adjusted for control premium. The fair value is negatively correlated to the discount for lack of marketability and minority discount and positively correlated to the control premium.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

14. Fair value measurement of financial instruments (Continued)

(a) Financial assets and liabilities measured at fair value (Continued)

(iii) Information about Level 3 fair value measurements (Continued)

At 30 June 2025, it is estimated that an increase/decrease of 3% (at 30 June 2024: 3%) in each of the unobservable inputs, with all other variables held constant, would have increased/decreased the Group's other comprehensive income as follows:

		Six months ended 30 June	
		2025	2024
	Increase/ (decrease) in unobservable inputs %	Effect on other comprehensive income \$'000	Effect on other comprehensive income \$'000
Discount for lack of marketability	3 (3)	(5,411) 5,376	(4,997) 5,032
Minority discount	3 (3)	(3,819) 3,784	(3,507) 3,542
Control premium	3 (3)	570 (570)	532 (494)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

14. Fair value measurement of financial instruments (Continued)

(a) Financial assets and liabilities measured at fair value (Continued)

(iii) Information about Level 3 fair value measurements (Continued)

The movements during the period in the balance of Level 3 fair value measurements are as follows:

	Other investments \$'000
At 1 January 2025	120,225
Credited to other comprehensive income during the period	<u>6,300</u>
At 30 June 2025	<u><u>126,525</u></u>
At 1 January 2024	119,637
Debited to other comprehensive income during the period	<u>(742)</u>
At 30 June 2024 and 1 July 2024	118,895
Credited to other comprehensive income during the period	<u>1,330</u>
At 31 December 2024	<u><u>120,225</u></u>

Any gains or losses arising from remeasurement of the Group's unlisted equity securities held for long-term strategic purposes are recognised in the investment revaluation reserve in other comprehensive income. Upon disposal of the equity securities, the amount accumulated in other comprehensive income is transferred directly to retained earnings.

(b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values at 30 June 2025 and 31 December 2024.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

15. Capital commitments

Capital expenditures contracted for at the end of the reporting period but not provided for as liabilities in this interim financial report are as follows:

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Investment properties	26,435	34,244
Other property, plant and equipment	398	23,833
	<u>26,833</u>	<u>58,077</u>

16. Material related party transactions

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group for the six months ended 30 June 2025 is as follows:

	Six months ended 30 June 2025 \$'000	2024 \$'000
Salaries and other short-term employee benefits	27,674	28,992
Contributions to defined contribution retirement plans	483	470
	<u>28,157</u>	<u>29,462</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Continued)

(Expressed in Hong Kong dollars unless otherwise stated)

16. Material related party transactions (Continued)

(b) Recurring transactions

Fellow subsidiaries represent subsidiaries of Wing On International Holdings Limited, the Company's immediate holding company. Material related party transactions are as follows:

- (i) A fellow subsidiary rents retail premises to a subsidiary of the Group. Rental and management fees payable to this fellow subsidiary amounted to \$11,735,000 (2024: \$11,735,000) during the period. The amount due from this fellow subsidiary at 30 June 2025 amounted to \$1,956,000 (at 31 December 2024: \$1,956,000).
- (ii) A subsidiary of the Group rents office premises to a fellow subsidiary. Rental and management fees receivable from this fellow subsidiary amounted to \$2,464,000 (2024: \$2,738,000) during the period. The amount due to this fellow subsidiary at 30 June 2025 amounted to \$1,137,000 (at 31 December 2024: \$1,188,000).
- (iii) Fellow subsidiaries, engaged in securities trading, deal in securities for certain subsidiaries of the Group. Commission of \$383,000 (2024: \$339,000) was payable to these fellow subsidiaries during the period. The amounts due from these fellow subsidiaries at 30 June 2025 amounted to \$23,960,000 (at 31 December 2024: \$3,865,000).
- (iv) A subsidiary of the Group provides building and tenancy management services to a fellow subsidiary. Building and tenancy management services income receivable from this fellow subsidiary amounted to \$877,000 (2024: \$861,000) during the period. The amount due to this fellow subsidiary at 30 June 2025 amounted to \$244,000 (at 31 December 2024: \$827,000).

The directors are of the opinion that the above transactions were carried out at pre-determined amounts in accordance with terms mutually agreed by the Group and the respective companies.

17. Approval of the interim financial report

This interim financial report was approved by the Board of Directors on 26 August 2025.

SUPPLEMENTARY INFORMATION

CORPORATE GOVERNANCE

Throughout the six months ended 30 June 2025, the Company applied the principles of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) to its corporate structure and practices. The Company has also complied with all applicable code provisions in the CG Code throughout the six months ended 30 June 2025.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “Model Code”) as its code of conduct regarding directors’ securities transactions. The Company has made specific enquiries of all directors of the Company (the “Directors”), and all Directors have confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2025.

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 30 June 2025, the interests and short positions of the Directors and chief executive officer of the Company in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register required to be kept under section 352 of the SFO were as follows:

(a) The Company

Name of Director	Personal interests (held as beneficial owner)	Number of ordinary shares held				Total interests as a % of the issued voting shares
		Family interests (interests of spouse)	Corporate interests (interests of controlled corporation)	Other interests	Total interests	
Kwok Chi Leung Karl	480,620	–	–	–	480,620	0.166
Kwok Chi Hang Lester	649,050	–	–	–	649,050	0.224
Kwok Chi Piu Bill	958,298	295,000	255,000 (Note 1)	–	1,508,298	0.521
Kwok Chi Yat	556,910	–	10,000 (Note 2)	–	566,910	0.196
Leung Wing Ning	10,000	–	–	–	10,000	0.003
Nicholas James Debnam	15,000	–	–	–	15,000	0.005
Kwok Stuart Wing-ching	30,000	–	–	–	30,000	0.010
Kwok Wing Tai Dennis	30,000	–	–	–	30,000	0.010
Kwok Kendrick Wing-kay	40,000	–	–	–	40,000	0.014
Kwok Gareth Wing-sien	40,000	–	–	–	40,000	0.014

SUPPLEMENTARY INFORMATION

(Continued)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

(a) The Company (Continued)

Notes:

1. Dr. Kwok Chi Piu Bill is entitled to control not less than one-third of the voting power at general meetings of a private company which beneficially owns 255,000 ordinary shares in the Company.
2. Mr. Kwok Chi Yat is entitled to control not less than one-third of the voting power at general meetings of a private company which beneficially owns 10,000 ordinary shares in the Company.

(b) Kee Wai Investment Company (BVI) Limited

Name of Director	Personal interests (held as beneficial owner)	Number of ordinary shares held			Total interests	Total interests as a % of the issued voting shares
		Family interests (interests of spouse)	Corporate interests (interests of controlled corporation)	Other interests		
Kwok Chi Leung Karl	14,250	–	–	–	14,250	25
Kwok Chi Hang Lester	14,250	–	–	–	14,250	25
Kwok Chi Piu Bill	14,250	–	–	–	14,250	25
Kwok Chi Yat	14,250	–	–	–	14,250	25

Note: The above Directors together control 100% of the voting rights in Kee Wai Investment Company (BVI) Limited.

(c) The Wing On Fire & Marine (2011) Limited

Name of Director	Personal interests (held as beneficial owner)	Number of ordinary shares held			Total interests	Total interests as a % of the issued voting shares
		Family interests (interests of spouse)	Corporate interests (interests of controlled corporation)	Other interests		
Kwok Chi Leung Karl	324	–	–	–	324	0.017
Kwok Chi Hang Lester	216	–	–	–	216	0.012
Kwok Chi Piu Bill	216	–	–	–	216	0.012
Kwok Chi Yat	216	–	–	–	216	0.012

In addition to the above, certain Directors hold shares in a subsidiary on trust and as nominee for its intermediary holding company.

SUPPLEMENTARY INFORMATION

(Continued)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Save as disclosed herein, none of the Directors nor the chief executive officer of the Company or any of their spouses or children under eighteen years of age has any interests or short positions in any shares, underlying shares and debentures of the Company and/or any of its associated corporation (as defined above) which are required to be notified to the Company and the Stock Exchange pursuant to section 347 of the SFO or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

At 30 June 2025, according to the information available to the Company, the following companies were interested in 5% or more of the issued share capital of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name	Number of ordinary shares held	Total interests as a % of the issued voting shares
(i) Wing On International Holdings Limited	180,545,138	62.418
(ii) Wing On Corporate Management (BVI) Limited	180,545,138	62.418
(iii) Kee Wai Investment Company (BVI) Limited	180,545,138	62.418

Note: For the avoidance of doubt and double counting, it should be noted that duplication occurs in respect of all of the above-stated shareholdings to the extent that the shareholdings stated against party (i) above are entirely duplicated in the relevant shareholdings stated against party (ii) above, with the same duplication of the shareholdings in respect of (ii) in (iii). All of the abovenamed parties are deemed to be interested in the relevant shareholdings under the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Details of the purchase of own shares by the Company during the six months ended 30 June 2025 are set out in Note 13(b) to the interim financial report on page 30. The purchases were made for the purpose of enhancing the net asset value per share and earnings per share of the Company.

Save as disclosed in Note 13(b) to the interim financial report on page 30, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the six months ended 30 June 2025.