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## **MILAN STATION HOLDINGS LIMITED**

**米蘭站控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1150)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **FINANCIAL HIGHLIGHTS**

- Revenue for the year ended 31 December 2025 was approximately HK\$125.3 million, representing an increase of 12.0% from approximately HK\$111.9 million for the year ended 31 December 2024.
- Gross profit for the year ended 31 December 2025 was approximately HK\$11.9 million, representing an increase of approximately 43.4% compared with approximately HK\$8.3 million for the year ended 31 December 2024.
- Selling expenses for the year ended 31 December 2025 were approximately HK\$15.6 million, representing a decrease of 27.8% of approximately HK\$21.6 million for the year ended 31 December 2024.
- Profit attributable to the owners of the Company for the year ended 31 December 2025 increased from loss of approximately HK\$26.4 million for the year ended 31 December 2024 to profit of approximately HK\$1.5 million.
- The Board has resolved not to declare a final dividend for the year ended 31 December 2025.

## ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Milan Station Holdings Limited (the “**Company**”) presents the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Year**”) together with the comparative figures for the preceding financial year as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*Year ended 31 December 2025*

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>REVENUE</b>	<i>5</i>	<b>125,267</b>	111,855
Cost of sales		<b>(113,335)</b>	(103,549)
Gross profit		<b>11,932</b>	8,306
Reversal of/(provision) for allowance for expected credit losses (“ <b>ECLs</b> ”)		<b>192</b>	(4,871)
Impairment loss on property, plant and equipment and right-of-use assets		<b>(1,008)</b>	(7,561)
Other income	<i>6</i>	<b>1,338</b>	1,592
Other gains/(losses), net	<i>7</i>	<b>18,167</b>	13,215
Selling expenses		<b>(15,638)</b>	(21,605)
Administrative and other operating expenses		<b>(11,683)</b>	(13,807)
Profit/(loss) from operations		<b>3,300</b>	(24,731)
Finance costs	<i>8</i>	<b>(1,636)</b>	(1,628)
<b>PROFIT/(LOSS) BEFORE TAX</b>	<i>9</i>	<b>1,664</b>	(26,359)
Income tax expense	<i>10</i>	<b>(167)</b>	–
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>1,497</b>	(26,359)

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME, NET OF TAX:</b>			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		–	40
Release of exchange reserve upon deregistration of a subsidiary		<u>(527)</u>	<u>–</u>
		<u>(527)</u>	<u>40</u>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<u><b>970</b></u>	<u>(26,319)</u>
<b>EARNINGS/(LOSS) PER SHARE</b>			
– Basic and diluted (HK cent)	<i>12</i>	<u><b>0.14</b></u>	<u>(2.74)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>2,260</b>	294
Right-of-use assets		<b>5,846</b>	4,878
Deposits		<b>2,188</b>	2,408
		<hr/> <b>10,294</b>	<hr/> 7,580
<b>CURRENT ASSETS</b>			
Financial assets at fair value through profit or loss		<b>57,362</b>	35,014
Prepayments, deposits and other receivables		<b>3,810</b>	6,167
Inventories		<b>22,533</b>	37,757
Trade receivables	<i>13</i>	<b>7,342</b>	2,182
Loan receivables	<i>14</i>	<b>2,857</b>	3,655
Income tax recoverable		<b>49</b>	93
Cash and bank balances		<b>8,057</b>	11,249
		<hr/> <b>102,010</b>	<hr/> 96,117
<b>CURRENT LIABILITIES</b>			
Trade and other payables	<i>15</i>	<b>9,328</b>	12,120
Contract liabilities		<b>164</b>	12
Lease liabilities		<b>5,892</b>	7,053
Other borrowings		<b>2,097</b>	–
Bond payables		<b>8,080</b>	–
Income tax liabilities		<b>278</b>	278
		<hr/> <b>25,839</b>	<hr/> 19,463
<b>NET CURRENT ASSETS</b>		<hr/> <b>76,171</b>	<hr/> 76,654
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/> <b>86,465</b>	<hr/> 84,234

	<b>2025</b>	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	<b>4,156</b>	4,595
Bond payables	<b>8,801</b>	7,131
Provisions	<b>302</b>	272
	<u><b>13,259</b></u>	<u>11,998</u>
<b>NET ASSETS</b>	<u><b>73,206</b></u>	<u>72,236</u>
<b>CAPITAL AND RESERVES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	<b>42,277</b>	42,277
Reserves	<b>30,929</b>	29,959
	<u><b>73,206</b></u>	<u>72,236</u>
<b>TOTAL EQUITY</b>	<u><b>73,206</b></u>	<u>72,236</u>

Notes:

## 1. GENERAL INFORMATION

The Company was a public limited company incorporated in the Cayman Islands on 1 November 2007 as an exempted company with limited liability. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands and its principal place of business in Hong Kong is located at Room A9, 3F., Block A, Hong Kong Industrial Centre, 489-491 Castle Peak Road, Lai Chi Kok, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company are retailing of handbags and fashion accessories.

## 2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and accounting principles general accepted in Hong Kong. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"), Hong Kong Accounting Standards ("**HKAS**") and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") and with the disclosure requirements of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The HKICPA has issued certain new and amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

## 3. APPLICATION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

### (a) New and amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

The Group has applied amendments to HKAS 21 and HKFRS 1 of Lack of Exchangeability as issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements.

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

(b) **New and amendments to HKFRS Accounting Standards in issue but not yet effective**

Up to the date of authorisation of these consolidated financial statements, the Group has not applied the following new and amendments to HKFRS Accounting Standards and interpretation (“**Int**”) that have been issued but are not yet effective for the financial year ended 31 December 2025.

	<b>Effective for accounting periods beginning</b>
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature – dependent Electricity	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HKAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKAS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards and interpretation will have no material impact on the consolidated financial statements in the foreseeable future.

*HKFRS 18 “Presentation and Disclosure in Financial Statements”*

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (“MPMs”) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of HKFRS 18, with respect to the structure of the Group's statement of loss, the statements of cash flows and the additional disclosures required for MPMs. The Group is also assessing the profit or loss impact on how information is grouped in the financial statements. Preliminary assessments indicate the following key impacts:

- The Group will need to reclassify certain income and expense items (e.g., interest income on certain investments and foreign exchange gains/losses) into the new categories, namely investing and financing categories.
- The Group disclosed certain MPMs in its results announcements and the annual report. Under HKFRS 18, this will likely require additional disclosure for the MPMs within the notes to the financial statements.
- The Statement of Cash Flows will also be impacted, as the operating profit subtotal will be the required starting point for the indirect method.

#### 4. OPERATING SEGMENT INFORMATION

The board of directors is the chief operating decision maker. The Group's principal activity is the retail of handbags and fashion accessories. Since it is the only operating segment of the Group for the purpose of resource allocation and assessment focus on revenue analysis by products, no further analysis thereof is presented. Since the Group's revenue is principally derived from sales of goods in Hong Kong, and the Group's location of the non-current assets are principally located in Hong Kong, only entity-wide disclosure are presented accordingly.

##### Information about major customers

No customer of the Group has individually contributed 10% or more of the Group's total revenue during the years ended 31 December 2025 and 2024 and no information about major customers is presented accordingly.

#### 5. REVENUE

Revenue represents the net invoiced value of goods sold. An analysis of revenue, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15:</b>		
Disaggregation of revenue from contracts with customers recognised at a point in time by major products for the year as follow:		
Sales of handbags	123,682	109,931
Sales of fashion accessories	1,585	1,924
	<u>125,267</u>	<u>111,855</u>
<b>Primary geographical market</b>		
Hong Kong	<u>125,267</u>	<u>111,855</u>

#### 6. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	5	18
Interest income on loan receivables	933	1,090
Imputed interest income on lease deposits	67	136
Management fee income ( <i>Note</i> )	254	156
Others	79	192
	<u>1,338</u>	<u>1,592</u>

*Note:* Represents revenue from contract with customers within the scope of HKFRS 15.

**7. OTHER GAINS/(LOSSES), NET**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Fair value gain on financial assets at FVTPL	15,732	7,785
Gain on disposal of financial assets at FVTPL	1,704	2,505
Loss on disposal of property, plant and equipment	(5)	–
Gain on deregistration of a subsidiary	736	2,925
	<u>18,167</u>	<u>13,215</u>

**8. FINANCE COSTS**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Imputed interest expense on bond payables	890	792
Interest expense on other borrowings	97	–
Interest expense on lease liabilities	649	836
	<u>1,636</u>	<u>1,628</u>

**9. PROFIT/(LOSS) BEFORE TAX**

The Group's profit/(loss) before tax is arrived at after charging the followings:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of inventories sold	113,335	103,549
Depreciation		
– property, plant and equipment	714	811
– right-of-use assets	4,738	9,181
	5,452	9,992
Expenses relating to short-term leases	758	834
Auditor's remuneration		
– Audit services	670	670
Directors' emoluments	910	860
Employee benefit expenses (excluding directors' emoluments)		
– Salaries, wages and other benefits	6,847	8,374
– Pension scheme contributions	246	323
	7,093	8,697
Total staff costs (including directors' emoluments)	<u>8,003</u>	<u>9,557</u>

## 10. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong Profits Tax:		
Under-provision in prior years	<u>167</u>	<u>–</u>

Under the two-tiered Hong Kong Profits Tax regime, the first HK\$2,000,000 of assessable profits of qualifying group entities established in Hong Kong will be taxed at 8.25% (2024: 8.25%), and assessable profits above HK\$2,000,000 (2024: HK\$2,000,000) will be taxed at 16.5% (2024: 16.5%). The assessable profits of group entities established in Hong Kong not qualifying for the two-tiered Hong Kong Profits Tax rate regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax had been made in the consolidated financial statements for the years ended 31 December 2025 and 2024 since the Group's Hong Kong entities had sufficient tax losses brought forward to set off against the assessable profit both the years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT") and Implementation Regulation of the EIT, the tax rate of the PRC subsidiaries of the Group is 25% from 1 April 2008 onwards. No provision for EIT is required since the PRC subsidiaries of the Group have no assessable profits for the years ended 31 December 2025 and 2024.

## 11. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2025 (2024: Nil), nor has any dividend been proposed since the end of the reporting periods.

## 12. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings (2024: loss) per share is based on the profit (2024: loss) for the year attributable to owners of the Company of approximately HK\$1,497,000 (2024: loss of HK\$26,359,000) and the weighted average ordinary shares of 1,056,936,650 (2024: 962,123,674) in issue during the year.

During the years ended 31 December 2025 and 2024, no adjustment has been made to the basic earnings/loss per share presented in respect of a dilution as there is no dilutive effect on the basic earnings/loss per share presented.

### 13. TRADE RECEIVABLES

The Group's trading terms with its customers related to sales of handbags and accessories are mainly on cash, credit card and credit terms settlement. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	<b>8,962</b>	3,129
Less: Allowance for ECLs	<b>(1,620)</b>	(947)
	<u><b>7,342</b></u>	<u>2,182</u>

An ageing analysis of the trade receivables, net of allowance, if any, as at the end of the reporting period, based on invoice date, is as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	<b>5,301</b>	581
7 to 12 months	<b>2,041</b>	1,601
	<u><b>7,342</b></u>	<u>2,182</u>

Customers are generally granted with credit term of 0-90 days during the years ended 31 December 2025 and 2024.

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and measures the lifetime ECL on shared credit risk characteristics and the day past.

The carrying amounts of the Group's trade receivables in denominated in HK\$.

#### 14. LOAN RECEIVABLES

The Group's loan receivables, which arise from the money lending business in Hong Kong, are unsecured, interest-bearing at rate of 8% (2024: 8%) per annum. The loan receivables are short-term loans and repayable by 1 year (2024: 1 year).

An ageing analysis of the loan receivables, net of allowance, as at the reporting period, based on the terms of loan is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loan receivables	13,147	14,696
Less: Allowance for ECLs	<u>(10,290)</u>	<u>(11,041)</u>
Within 1 year	<u><u>2,857</u></u>	<u><u>3,655</u></u>

Loan receivables are denominated in HK\$.

The Group's loan receivables bear interests at fixed interest rates and therefore are subject to fair value interest rate risk.

#### 15. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	599	1,989
Accrued liabilities	7,639	7,805
Other payables	<u>1,090</u>	<u>2,326</u>
	<u><u>9,328</u></u>	<u><u>12,120</u></u>

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice dates, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	<u><u>599</u></u>	<u><u>1,989</u></u>

The credit period on purchase of goods during the year ended 31 December 2025 ranged from 0 to 90 days (2024: 0 to 90 days).

Trade and other payables are denominated in HK\$.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Market Overview

Hong Kong's luxury market has entered a phase of stabilization following the post-pandemic volatility. Total retail sales for 2025 showed modest growth of approximately 1%, but the luxury segment outperformed the general market with a solid 1.9% to 3.6% increase in high-value categories.

Besides, handbags have officially transitioned from fashion accessories to alternative investment assets by referring to the auction records and the record on secondary market.

Corporation may have to be more careful in their business plans in the face of various headwinds such as the uncertainty of the development and effect of China-US relations, geopolitical tensions, economic conditions, customers behavior and government policies.

### BUSINESS REVIEW

During the Reporting Year, the Group's total revenue increased by approximately 12% to approximately HK\$125.3 million. The revenues generated in the markets of Hong Kong only of the Group's revenue. The Group's gross profit at approximately HK\$11.9 million, which was increased by approximately 43.4% as compared with last year. The net loss for the Reporting Year decreased by approximately HK\$27.9 million to net profit of approximately HK\$1.5 million mainly due to the recognition of fair value gain on financial asset at fair value through profit or loss and decrease in selling expenses and impairment loss on property, plant and equipment and right-of-use assets.

### Hong Kong

During the Reporting Year, sales of the Group in Hong Kong increased by 12% to approximately HK\$125.3 million. The revenue came from the 5 "Milan Station" retail stores in Hong Kong and the online sales platform directly managed by the Group and the product sales in other new sales channels.

The Group adhered to the principle of providing genuine and certified products for its customers and formulated stringent and systematic product certification programs. During the Reporting Year, the Group continued to devote more human resources to the management of merchandise quality, and strengthened the product certification programs with the finer division of labor to ensure that all the products were inspected by professional team. These measures helped the Group to maintain the "Milan Station" brand reputation and earn market recognition, pursuant to which it strengthened the Group's leading position in the luxury handbags trading industry under the adverse operating environment.

As at 31 December 2025, the Group held the listed securities in Hong Kong with the fair value of HK\$57.4 million under financial assets at fair value through profit or loss. The Group recognised a fair value gain on financial assets at fair value through profit or loss of approximately HK\$15.7 million and gain on disposal of financial assets at fair value through profit or loss of approximately HK\$1.7 million. In light of the recent volatile financial market in Hong Kong, the Group will

closely monitor the performance of this business and keep adopting a prudent investment attitude with the aim to improve the capital usage efficiency and generate additional investment returns on the idle funds of the Group.

## Chinese Mainland

During the Reporting Year, no revenue was generated in Chinese Mainland.

## Macau

During the Reporting Year, no revenue was generated in Macau.

## Significant Investments

The Group held significant investments under financial assets at fair value through profit or loss as below:

Company	Stock code	Fair value as at			Gain on disposal HK\$'000	Fair value as at		Percentage of shareholding (approximately)	Approximate percentage to the total assets
		1 January 2025 HK\$'000	Addition HK\$'000	Proceed HK\$'000		Fair value gain/(loss) HK\$'000	31 December 2025 HK\$'000		
China Investment and Finance Group Limited	1226	6,198	697	-	-	(2,837)	4,058	1.3%	3.6%
Harbour Digital Asset Capital Limited	913	5,278	-	-	-	(1,111)	4,167	3.9%	3.7%
BFB Health Limited	205	-	3,018	-	-	13,122	16,140	1.9%	14.4%
Tai Kam Holdings Limited	8,321	3,029	-	-	-	5,879	8,908	1.7%	7.9%
Others		20,510	4,478	3,282	1,704	679	24,089		
		<u>35,015</u>	<u>8,193</u>	<u>3,282</u>	<u>1,704</u>	<u>15,732</u>	<u>57,362</u>		

As at 31 December 2025, the Group held (i) approximately 5.4 million shares (approximately 1.3%) of China Investment and Finance Group Limited, which is listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and principally engaged in securities trading and investment holding, at investment cost of approximately HK\$2.6 million; (ii) approximately 13.9 million shares (approximately 3.9%) of Harbour Digital Asset Capital Limited, which is listed on the Stock Exchange and principally engaged in the investments in listed and unlisted securities, at investment cost of approximately HK\$3.4 million; (iii) approximately 24.1 million shares (approximately 1.9%) of BFB Health Limited, which is listed on the Stock Exchange and principally engaged in the provision of advertising services, provision of securities broking services including brokerage, financing and underwriting and placement, money lending and e-commerce, at investment cost of approximately HK\$3 million; (iv) approximately 8.9 million shares (approximately 1.7%) of Tai Kam Holdings Limited, which is listed on the Stock Exchange and principally engaged in construction business mainly site formation works and renovation works in Hong Kong, at investment cost of approximately HK\$1.5 million. The Group adopted a passive investment strategy for the investments and maintain a diversified investment portfolio to mitigate risks.

## **MONEY LENDING BUSINESS**

### **Business Model**

The Group's money lending business is managed through a wholly-owned subsidiary with money lenders license issued under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The Group targets to provide both secured or unsecured loans to different customers which included individuals and corporations mainly in Hong Kong and PRC. The source of customers is mainly past customers which consists of entrepreneurs and sizable enterprises or referrals by the directors. The source of funds for the money lending business is funded by the internal resources of the Group.

### **Major Terms of Loans Granted**

As at 31 December 2025, the loan receivables were due from six independent third parties. The interest rates of the loan receivables are 8% per annum. The total loan receivables are HK\$2.9 million. All of the loan receivables are unsecured, of which the largest loan receivables of approximately HK\$1.8 million and the five largest loan receivables represent 94.2% of the total loan receivables. All loan receivables were matured within twelve months as of 31 December 2025. The aged analysis of the loan receivables as at 31 December 2025 is within 1 year.

### **Risk management policies**

The Group manages credit risk through review and credit approval and post-transaction monitoring processes. An independent credit risk assessment has been performed before granting the loans which including but not limited to the background check, income or asset proof of individual customers and financial reports of corporate customers. Besides, verification of the authenticity of the information will be performed. Upon the completion of credit assessment procedures, the Group will propose loan terms, which include loan size, loan tenure, interest rate, guarantee and collateral, with reference to the prime lending rate offered by commercial banks, prevailing interest rates offered by other money lending institutions in the market and internal credit risk rating of the borrowers and ensure that the Company complies with the Money Lenders Ordinance. The proposed loans will then be passed to the directors for review and approval.

The Company has also adopted the procedures on monitoring loan repayment and recovery which involve (a) finance department is required to submit management accounts to the board of directors of the Company and report on the financial and business performance quarterly; (b) finance department required to report the repayment status of all loans to the board of directors of the Company quarterly and report for any material defaulted loans immediately upon occurrence; In respect of overdue loans, the finance managers will proactively contact the borrowers to understand the reasons for overdue repayments and assess the repayment ability of the borrowers by considering factors including but not limited to the business, financial and economic conditions that may affect the repayment ability of the borrowers; actual and expected financial performance and cashflows of the borrowers; and probability of the borrowers entering into bankruptcy or other financial reorganisation. After assessing the repayment ability of the borrowers, the directors may choose to negotiate new repayment schedules with the borrowers if the underlying default risk is considered to be acceptable. In respect of delinquent loans with significant default risk, the standard demand letters will be issued. If no satisfactory response is received, formal legal demand letters will be issued. Thereafter formal legal proceedings may be issued where appropriate.

### **Loan impairments**

The Group will consider both general and specific provision on the impairment of the loan receivables. Specific provision will be considered when the customers are bankrupt, liquidation or any probably events which indicate the occurrence on the default of payments. The Group based on the borrowers' current financial status by communicating with the borrowers, referring to their past and current repayment records, loan terms, and the value of the collaterals, and will make further additional independent adjustments, to calculate the loan impairment for the year.

In 2025, the loan impairment is assessed by three-stage model for impairment based on changes in credit quality since initial recognition which outlined by HKFRS 9. Since the economic downturn continued due to the continuation of the epidemic which may affect the repayment ability of the borrower, thus affecting the Group's expectation to each of the borrowers on their ability to repay their debts. Therefore, the Group considered that the default rate of each borrowers increased, thus general provision on the loan impairment was recognized due to the expected credit losses. The Group has appointed an independent valuer to assess the impairment of the loan receivables. General approach is adopted to assess the expected credit losses of loan receivables in which the loss rate is derived from the probability of default and loss given default. The probability of default is extracted from Refinitiv, Moody's or other public sources are assumed to be unbiased. The allowance of expected credit losses of loan and interest receivables is approximately HK\$10.3 million (2024: HK\$11.0 million). The decrease in the allowance of expected credit losses was mainly due to the certain borrowers' repayment of debts has been received during the Reporting Year. The credit loss rate of borrowers was ranged from 50.0% to 100.0%, therefore the grants of loans were fair and reasonable.

## **Outlook**

Domestically, the government starts launching different promotion to attract visitors and stimulate the tourism which encourage the public to spend in local retail, consumption-related sectors, hence stimulating local consumer sentiment. The improved local business sentiment, coupled with the support from various government relief measures, should help domestic demand to improve in the period ahead and accelerating local economic recovery.

Looking ahead, local consumption may rebound which will be supported by anticipated interest rate cuts and a “repatriation” of luxury spending as brands narrow the price gap between Hong Kong and Europe. However, various uncertainty such as the uncertainty of the development and effect of China-US relations, geopolitical tensions, economic conditions, customers behavior and government policies has cast uncertainty over the global economic outlook. The management therefore should continue to catch up any opportunities arose in this market and continued to strengthened our resources in order to maintain the leading position in the luxury handbags and accessories trading industry. Simultaneously, the management will also impose more prudent business policy to operate with great caution and lead the Group through unprecedented challenges.

## **FINANCIAL REVIEW**

### **Revenue**

During the Reporting Year, total revenue increased to approximately HK\$125.3 million, representing an increase of approximately 12% as compared with approximately HK\$111.9 million recorded in last year. Handbags were the most important product category for the Group, representing over 98.7% of the total revenue of the Group. The revenue generated from the sales of unused products increased to approximately HK\$96.6 million for the Reporting Year, representing approximately 77.1% of the total revenue of the Group.

Since all the retail shops under the brand name of “Milan Station” are located in Hong Kong, the source of revenue also concentrates in the Hong Kong market. For the year ended 31 December 2025, the revenue generated from the Hong Kong market was approximately HK\$125.3 million, representing approximately 100% of the total revenue of the Group. No revenue was generated from Chinese Mainland and Macau markets during the Reporting Year.

The table below sets out the breakdown of the Group's revenue recorded for the years ended 31 December 2025 and 2024 by product categories, by price range of products and by geographical locations and their respective percentages to the total revenue of the Group:

	For the year ended 31 December				Percentage change in revenue %
	2025		2024		
	<i>HK\$ million</i>	Percentage of total revenue %	<i>HK\$ million</i>	Percentage of total revenue %	
<b>By product categories (handbags and other products)</b>					
Handbags	123.7	98.7	110.0	98.3	12.5
Other products*	1.6	1.3	1.9	1.7	(15.8)
Total	<u>125.3</u>	<u>100</u>	<u>111.9</u>	<u>100</u>	12.0
<b>By product categories (unused and second-hand products)</b>					
Unused products	96.6	77.1	81.9	73.2	17.9
Second-hand products	28.7	22.9	30.0	26.8	(4.3)
Total	<u>125.3</u>	<u>100</u>	<u>111.9</u>	<u>100</u>	12.0
<b>By price range of products</b>					
Within HK\$10,000	8.9	7.1	10.8	9.6	(17.6)
HK\$10,001 – HK\$30,000	27.2	21.7	26.9	24.0	1.1
HK\$30,001 – HK\$50,000	16.5	13.2	16.4	14.7	0.6
Above HK\$50,000	72.7	58.0	57.8	51.7	25.8
Total	<u>125.3</u>	<u>100</u>	<u>111.9</u>	<u>100</u>	12.0
<b>By geographical locations</b>					
Hong Kong	<u>125.3</u>	<u>100</u>	<u>111.9</u>	<u>100</u>	12.0

\* Other products include others accessories.

## Cost of sales

For the Reporting Year, cost of sales for the Group was approximately HK\$113.3 million, increased by 9.5% year-on-year. Cost of sales mainly consisted of cost of inventories sold by the Group's suppliers.

## Gross profit and gross profit margin

Gross profit of the Group for the Reporting Year increased by HK\$3.6 million to approximately HK\$11.9 million, with its gross profit margin increased from 7.4% to 9.5%. The increase was mainly due to the sales of high profit margin inventories.

## Inventories

The Group's total inventories as at 31 December 2025 and 2024 were HK\$22.5 million and HK\$37.8 million respectively. Inventory turnover days of the Group changed to 97 days for the year ended 31 December 2025 (2024: 150 days).

The following table sets forth an aging analysis of inventories for the Group's handbag products as at 31 December of the two comparative years:

	31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Aging of inventories (handbags products)</b>		
0 to 90 days	5,969	9,615
91 to 180 days	1,816	5,099
181 days to 1 year	3,266	6,761
Over 1 year	11,206	15,939
Total	<u>22,257</u>	<u>37,414</u>

The following table sets forth an aging analysis of inventories for the Group's other products as at 31 December of the two comparative years:

	31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Aging of inventories (other products)</b>		
0 to 45 days	10	8
46 to 90 days	42	24
91 days to 1 year	168	105
Over 1 year	56	206
Total	<u>276</u>	<u>343</u>

The following table sets forth an aging analysis of inventories for the Group's premium priced handbag products over HK\$50,000 as at 31 December of the two comparative years:

	<b>31 December</b>	
	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Aging of inventories (handbags products over HK\$50,000)</b>		
0 to 90 days	<b>1,839</b>	8,121
91 to 180 days	<b>2,798</b>	3,108
181 days to 1 year	<b>240</b>	4,188
Over 1 year	<b>8,665</b>	10,466
	<hr/>	<hr/>
Total	<b>13,542</b>	25,883
	<hr/> <hr/>	<hr/> <hr/>

### **Other income**

During the Reporting Year, other income and gains amounted to approximately HK\$1.3 million, decreased by approximately HK\$0.3 million as compared with other income and gains amounted to approximately HK\$1.6 million in last year. It was mainly attributable to the decrease in interest income on loan receivables.

### **Other gains/(losses), net**

During the Reporting Year, other gains amounted to approximately HK\$18.2 million, as compared with other gains amounted to approximately HK\$13.2 million in last year. It was mainly attributable to the increase in fair value gain on financial assets at fair value through profit or losses.

### **Selling expenses**

The major items of the Group's selling expenses include rent and rates, employee benefit expenses for sales staff and bank credit card charges. For the Reporting Year, selling expenses of the Group were approximately HK\$15.6 million, representing 12.5% of the Group's revenue (2024: approximately HK\$21.6 million, representing approximately 19.3% of the Group's revenue). Selling expenses decreased mainly due to the decrease in depreciation, salaries and marketing expenses.

### **Administrative and other operating expenses**

Administrative and other operating expenses of the Group for the Reporting Year amounted to approximately HK\$11.7 million, decreased by approximately HK\$2.1 million as compared with last year on a year-on-year basis, representing approximately 9% of the total revenue. The Group's administrative and other operating expenses mainly consisted of the depreciation of right-of-use assets, directors' remuneration, salaries and employee benefit expenses for the senior management and administrative staff, as well as legal and professional expenses. The decrease in administrative and other operating expenses was mainly due to the decrease in salaries.

## **Finance costs**

Finance costs of the Group mainly consisted of interest expenses on bond payables and lease liabilities. Finance costs amounted to approximately HK\$1.6 million in the Reporting Year, decreased by HK\$0.01 million as compared with last year.

## **Profit attributable to the owners of the Company**

Profit attributable to the owners of the Company for the Reporting Year increased from loss of approximately HK\$26.4 million for the year ended 31 December 2024 to profit of approximately HK\$1.5 million. Earning per share attributable to the owners of the Company was approximately HK0.14 cents for the Reporting Year, as compared with loss per share attributable to the owners of the Company of approximately HK2.74 cents for the year ended 31 December 2024.

## **Employees and remuneration policy**

As at 31 December 2025, the Group had a total of 20 employees (2024: 18 employees). The gender ratio of the Group's workforce (including senior management) was approximately 50% male to approximately 50% female. Excluding senior management, the Group had 5 male employee (35%) and 9 female employee (65%). The Group had 6 senior management, of which 5 was male (83%) and 1 was female (17%). The Group shall continue to take into account diversity perspectives including gender diversity in its hiring of employees from time to time. The Group's remuneration policy was determined according to the position, performance and experience of the staff as well as the market trend. Staff benefits of the Group include basic salaries, subsidies, insurance and commission/bonus. The remuneration policy was reviewed by the Board from time to time. The emoluments of the Directors were reviewed by the remuneration committee of the Company and recommended to the Board for approval after considering the Group's operating results, individual performance and comparing with marketing conditions.

## **Liquidity and financial resources**

As at 31 December 2025 and 31 December 2024, the Group did not have any bank borrowing.

As at 31 December 2025, the Group's total balance of cash and cash equivalents, total liabilities and shareholders' equity were approximately HK\$8.1 million, HK\$39.1 million and HK\$73.2 million respectively (2024: approximately HK\$11.2 million, HK\$31.5 million and HK\$72.2 million respectively). The Group's gearing ratio, current ratio and quick ratio as at 31 December 2025 were approximately 40%, 3.9 and 3.1 respectively (2024: 26.0%, 4.9 and 3.0 respectively).

## **Pledge of assets**

As at 31 December 2025 and 31 December 2024, the Group had no assets and bank deposits were pledged to banks to secure the bank borrowing and general banking facilities granted to the Group.

## **Foreign exchange policy**

The Group carried on its trading transactions mainly in Hong Kong dollars and Renminbi (“**RMB**”). It is the Group’s policy to continue maintaining the balance of its sales and purchases in the same currency. The Group did not have any hedging arrangement on foreign exchange. The Directors are of the view that the transactional exposure of the Group in currencies other than the functional currencies is maintained at an acceptable level.

## **Contingent liabilities**

As at 31 December 2025, the Group did not have any significant contingent liabilities.

## **Capital commitments**

The Group did not have any capital commitments regarding any for purchase of property, plant and equipment as at 31 December 2025.

## **CORPORATE GOVERNANCE PRACTICE**

The Board is committed to maintaining high standards of corporate governance and recognizes the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Company had adopted the code provisions set out in the Corporate Governance Code (the “**CG Code**”) in Appendix C1 to the Listing Rules as its own code of corporate governance practice.

During the Reporting Year, the Company had complied with all applicable code provisions under the CG Code save as disclosed below.

## **DIRECTORS’ SECURITIES TRANSACTIONS**

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. Having made specific enquiries to the Directors, all the Directors confirmed that they complied with the required standards as set out in the Model Code for the Reporting Year.

## **AUDIT COMMITTEE**

The Company has established an Audit Committee with written terms of reference in compliance with the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Mr. Tou Kin Chuen (chairman), Mr. Chan Chi Hung and Mr. Choi Kam Yan, Simon. The Audit Committee has reviewed with the management of the Company the financial statements of the Group for the Reporting Year and discussed with the management of the Company on auditing, risk management, internal control and financial reporting matters.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the Reporting Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## **USE OF NET PROCEEDS**

References were made to the announcements of the Company dated 25 June 2024, 26 June 2024 and 16 July 2024. On 25 June 2024, the Company and the placing agent entered into the placing agreement pursuant to which the placing agent agreed to place, on a best endeavour basis, to not less than six independent placees for up to 176,150,000 new Shares at a price of HK\$0.08 per placing share (the “**Placing**”). Placing have been fulfilled and the completion of the Placing took place on 16 July 2024, where a total of 176,150,000 placing shares have been successfully placed by the placing agent to not less than six placees at the placing price of HK\$0.08 per placing share. The net proceeds (after all relevant expenses) from the Placing amounted to approximately HK\$13.7 million. As at 31 December 2025, the net proceeds from the Placing were fully utilized as general working capital of the Company as disclosed in the announcement of the Company dated 25 June 2024.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

During the Reporting Year, the Company complied with all applicable code provisions under the CG Code except for the following deviations.

Under code provision C.5.3 of the CG Code, notice of at least 14 days should be given of a regular board meeting to all Directors to give all Directors an opportunity to attend. During the Reporting Year, certain Board meetings were convened with less than 14 days’ notice to facilitate the Directors’ timely reaction and expeditious decision making process in respect of investment opportunity and internal affairs of the Group. All Board meetings, nevertheless, were duly convened and held in the way prescribed by the Articles of Association of the Company. The Board will use reasonable endeavour to meet the requirement of code provision C.5.3 of the CG Code in future. Adequate and appropriate information are circulated normally three days in advance of Board meetings to the Directors.

## **SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED**

The figures in respect of the draft consolidated statement of financial position and draft consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Reporting Year of the Group as set out in the preliminary announcement have been agreed by the Group’s auditor, McMillan Woods (Hong Kong) CPA Limited (“**McMillan Woods**”), to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by McMillan Woods in this respect did not constitute an assurance engagement and consequently no opinion or assurance has been expressed by McMillan Woods on the preliminary announcement.

## **REVIEW OF FINANCIAL STATEMENTS**

The preliminary results announcements and consolidated financial statements of the Group for the Reporting Year and the accounting policies and practices adopted by the Group during the Reporting Year and matters of auditing, internal controls and financial reporting have been discussed with the management and reviewed by the Audit Committee.

## **DIVIDENDS**

The Board has resolved not to declare a final dividend for the Reporting Year (2024: Nil).

## **EVENTS AFTER THE REPORTING PERIOD**

There were no significant events after the Reporting Year and up to the date of this announcement.

## **PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk) and the website of the Company at [hk.milanstation.com](http://hk.milanstation.com). The 2025 annual report containing all information required by the Listing Rules will be published on the above websites and dispatched to the shareholders of the Company by the end of April 2026.

By Order of the Board  
**Milan Station Holdings Limited**  
**Hu Bo**  
*Director*

Hong Kong, 30 March 2026

*As at the date of this announcement, the Board comprises Mr. HU Bo and Ms. JI Guiping as Executive Directors; and Mr. CHAN Chi Hung, Mr. TOU Kin Chuen and Mr. CHOI Kam Yan Simon as Independent Non-executive Directors.*