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GOLDLION HOLDINGS LIMITED

金利來集團有限公司

(Incorporated in Hong Kong under the Hong Kong Companies Ordinance)

(Stock code: 00533)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30TH JUNE 2026**

RESULTS

The Board of Directors (the “Board”) announces the unaudited condensed consolidated interim results of Goldlion Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) for the six months ended 30th June 2026 as follows:

**Interim Condensed Consolidated Income Statement
For the six months ended 30th June 2026**

		Unaudited Six months ended	
	Note	30.6.2026 HK\$'000	30.6.2025 HK\$'000
Turnover	2	519,310	487,111
Cost of sales	4	(214,549)	(198,157)
Gross profit		304,761	288,954
Other losses	3	(51,168)	(22,953)
Selling and marketing costs	4	(231,427)	(205,734)
Administrative expenses	4	(78,725)	(74,415)
Operating loss		(56,559)	(14,148)
Interest income		8,895	12,392
Interest expense		(1,146)	(800)
Loss before income tax		(48,810)	(2,556)
Income tax credit/(expense)	5	1,645	(1,388)
Loss for the period		(47,165)	(3,944)
Attributable to:			
Owners of the Company		(47,165)	(3,960)
Non-controlling interests		-	16
Loss for the period		(47,165)	(3,944)
Loss per share attributable to owners of the company		<i>HK cents</i>	<i>HK cents</i>
- Basic and diluted	6	(4.84)	(0.41)

Interim Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30th June 2026

	Unaudited	
	Six months ended	
	30.6.2026	30.6.2025
	HK\$'000	HK\$'000
Loss for the period	<u>(47,165)</u>	<u>(3,944)</u>
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Revaluation of property, plant and equipment upon reclassification to investment property	2,521	17,992
Income tax relating to these items	(631)	(4,498)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of financial statements of China Mainland and overseas subsidiaries	104,048	76,651
Reclassification of exchange reserve upon deregistration of a subsidiary (note 3)	7,469	-
Reclassification of exchange reserve upon disposal of a subsidiary	(470)	-
Other comprehensive income for the period	<u>112,937</u>	<u>90,145</u>
Total comprehensive income for the period	<u>65,772</u>	<u>86,201</u>
Attributable to:		
Owners of the Company	65,772	86,124
Non-controlling interests	-	77
Total comprehensive income for the period	<u>65,772</u>	<u>86,201</u>

**Interim Condensed Consolidated Balance Sheet
As at 30th June 2026**

		As at 30.6.2026 (Unaudited) HK\$'000	As at 31.12.2025 (Audited) HK\$'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		209,478	212,302
Right-of-use assets		109,338	103,308
Investment properties		2,653,182	2,645,018
Financial assets at fair value through other comprehensive income		2,530	2,442
Deferred income tax assets		54,523	56,690
		<u>3,029,051</u>	<u>3,019,760</u>
Current assets			
Completed properties		737,278	751,839
Inventories		156,103	166,886
Trade receivables	8	44,059	82,340
Prepayments, deposits and other receivables		69,817	59,311
Contract assets		29,470	28,489
Tax recoverable		29	-
Restricted cash		780	591
Bank deposits		815,558	735,590
Cash and cash equivalents		376,721	457,111
		<u>2,229,815</u>	<u>2,282,157</u>
Total assets		<u>5,258,866</u>	<u>5,301,917</u>
EQUITY			
Capital and reserves			
Share capital		1,101,358	1,101,358
Reserves		3,392,802	3,341,638
Total equity		<u>4,494,160</u>	<u>4,442,996</u>
LIABILITIES			
Non-current liabilities			
Other payables and accruals		24,504	25,839
Lease liabilities		50,207	46,749
Deferred income tax liabilities		347,659	357,437
		<u>422,370</u>	<u>430,025</u>
Current liabilities			
Trade payables	9	32,616	41,957
Other payables and accruals		129,313	210,361
Contract liabilities		156,211	150,926
Lease liabilities		18,722	17,373
Current income tax liabilities		5,474	8,279
		<u>342,336</u>	<u>428,896</u>
Total liabilities		<u>764,706</u>	<u>858,921</u>
Total equity and liabilities		<u>5,258,866</u>	<u>5,301,917</u>

Notes:

1. Principal accounting policies

This interim condensed consolidated financial information for the six months ended 30th June 2026 has been prepared in accordance with Hong Kong Accounting Standards (“HKAS”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants, and applicable requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31st December 2025, which were prepared in accordance with HKFRS Accounting Standards (“HKFRS”).

The financial information relating to the year ended 31st December 2025 that is included in this preliminary announcement of interim results for the six months ended 30th June 2026 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31st December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements for the year ended 31st December 2025. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

The accounting policies applied by the Group are consistent with those of the annual financial statements for the year ended 31st December 2025, as described in those annual financial statements.

(a) The amended standards effective in 2026:

HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 (Amendments)	Annual Improvements to HKFRS Accounting Standards – Volume 11
HKFRS 9 and HKFRS 7 (Amendments)	Classification and measurement of financial instruments
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity
HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 (Amendments)	Disclosures about Uncertainties in the Financial Statements

The above amended standards did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

1. Principal accounting policies (*continued*)

- (b) The following new and amended standards and interpretation have been issued but are not effective for the financial year beginning on 1st January 2026 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	Not yet established
HKFRS 18	Presentation and disclosure in financial statements	1st January 2027
HKFRS 19 and HKFRS 19 (Amendments)	Subsidiaries without public accountability: Disclosures	1st January 2027
HK Int 5 (Amendments)	Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause	1st January 2027
HKAS 21 (Amendments)	Translation to Hyperinflationary Presentation Currency	1st January 2027

Except for the assessment of the impact of HKFRS 18 disclosed in the annual consolidated financial statements for the year ended 31st December 2025, the above new and amended standards and interpretation are not expected to have a material impact on the condensed consolidated financial statements of the Group.

2. Turnover and segment information

The Group is principally engaged in the distribution and manufacturing of garments, leather goods and accessories, licensing of brand name, and property investment and development. Turnover recognized during the period is as follows:

	Six months ended	
	30.6.2026	30.6.2025
	HK\$'000	HK\$'000
Revenue recognized under HKFRS 15		
Sales of goods	359,252	335,005
Sales of properties	43,901	27,987
Building management fees	18,796	19,670
Licensing income	30,787	31,659
Sales of electricity	128	788
	<u>452,864</u>	<u>415,109</u>
Revenue recognized under other accounting standards		
Rental income from investment properties	<u>66,446</u>	<u>72,002</u>
	<u>519,310</u>	<u>487,111</u>
Timing of revenue recognition under HKFRS 15		
At a point in time	403,153	362,992
Over time	<u>49,711</u>	<u>52,117</u>
	<u>452,864</u>	<u>415,109</u>

2. Turnover and segment information (*continued*)

An analysis of the Group's segment information by operating segment is as follows:

	Six months ended		Six months ended	
	30.6.2026	30.6.2025	30.6.2026	30.6.2025
	Segment	Segment	Segment	Segment
	turnover	turnover	results	results
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Operating segments				
Apparel in China Mainland and Hong Kong SAR	373,964	350,101	(19,733)	(16,333)
Apparel in Singapore	16,110	17,081	(2,559)	(3,461)
Property investment and development	134,105	125,494	2,302	31,223
Other and Inter-segment sales	(4,869)	(5,565)	465	548
	<u>519,310</u>	<u>487,111</u>	<u>(19,525)</u>	<u>11,977</u>
Unallocated costs			<u>(29,285)</u>	<u>(14,533)</u>
Loss before income tax			(48,810)	(2,556)
Income tax credit/(expense)			<u>1,645</u>	<u>(1,388)</u>
Loss for the period			<u>(47,165)</u>	<u>(3,944)</u>

3. Other losses

	Six months ended	
	30.6.2026 HK\$'000	30.6.2025 HK\$'000
Fair value losses on investment properties	43,699	22,953
Loss on deregistration of a subsidiary (note)	7,469	-
	<u>51,168</u>	<u>22,953</u>

Note:

During the period, the Group deregistered its wholly owned subsidiary, Guangzhou Goldlion E-commerce Company Limited (“GGECL”), a company incorporated in the China Mainland. The deregistration was completed on 25th February 2026.

Prior to the deregistration, cash balance of GGECL of RMB98,524,000 (equivalent to HK\$113,007,000) was remitted to the Group. The intercompany balance due from the immediate holding company of RMB5,142,000 (equivalent to HK\$5,899,000) was settled upon deregistration.

A loss on deregistration of HK\$7,469,000 was recognized in the condensed consolidated income statement under “other losses”, representing the reclassification of cumulative exchange reserve of approximately HK\$7,469,000 to the condensed consolidated income statement.

The deregistration had no impact on the Group's cash flow as the cash of GGECL was remitted to the Group upon deregistration.

4. Expenses by nature

	Six months ended	
	30.6.2026	30.6.2025
	HK\$'000	HK\$'000
Cost of inventories sold	158,740	147,454
Cost of properties sold	40,204	23,179
(Reversal of provision)/provision for impairment of inventories	(2,166)	8,501
Direct operating expenses arising from investment properties that generated rental income	17,107	18,239
Expenses relating to short-term leases and variable lease payments	33,293	33,672
Depreciation of property, plant and equipment	18,846	18,361
Depreciation of right-of-use assets	9,765	11,190
Impairment of right-of-use assets	361	4,600
Impairment of property, plant and equipment	-	120
Provision for impairment of trade receivables, net	514	471
Staff costs including directors' emoluments	118,917	111,454
Advertising and promotion expenses	57,431	43,162
Net exchange loss	7,241	260
Gain on disposal of a subsidiary	(316)	-
Other expenses	64,764	57,643
	<u>524,701</u>	<u>478,306</u>
Representing:		
Cost of sales	214,549	198,157
Selling and marketing costs	231,427	205,734
Administrative expenses	78,725	74,415
	<u>524,701</u>	<u>478,306</u>

5. Income tax (credit)/expense

Hong Kong profits tax has not been provided for as the Group's estimated assessable profit for the period are set off by tax loss carried forward from prior years (2025: same).

Taxation on profits generated in the China Mainland has been calculated on the estimated assessable profit for the period at the rate of 25% (2025: 25%). For subsidiaries that qualify for the inclusive tax reduction policy for small and micro enterprises, in accordance with the existing policy of the China Mainland, taxation on profits generated in the China Mainland has been calculated at a preferential rate of 5% (2025: 5%). Taxation on profits outside Hong Kong and the China Mainland has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of income tax (credited)/charged to the interim condensed consolidated income statement represents:

	Six months ended	
	30.6.2026 HK\$'000	30.6.2025 HK\$'000
Current tax		
- China Mainland enterprise income tax	7,127	9,803
Deferred income tax	(8,772)	(8,415)
Total income tax (credit)/expense	<u>(1,645)</u>	<u>1,388</u>

6. Loss per share

The calculation of loss per share is based on loss attributable to owners of the Company of HK\$47,165,000 (six months ended 30th June 2025: HK\$3,960,000) and the number of ordinary shares in issue of 973,844,035 (six months ended 30th June 2025: 973,844,035) during the period.

Diluted loss per share equals basic loss per share as there were no potential dilutive ordinary shares in issue during the six months ended 30th June 2026 and 2025.

7. Dividend

	Six months ended	
	30.6.2026 HK\$'000	30.6.2025 HK\$'000
Interim dividend of nil HK cent (2025: 1.0 HK cent) per ordinary share	<u>-</u>	<u>9,738</u>

8. Trade receivables

The Group's sales are on cash on delivery or credit terms ranging from 30 days to 180 days after delivery. The ageing of the trade receivables based on invoice date is as follows:

	As at 30.6.2026 HK\$'000	As at 31.12.2025 HK\$'000
1-30 days	30,279	65,511
31-90 days	4,962	9,534
Over 90 days	9,598	7,561
Trade receivables	44,839	82,606
Less: provision for impairment of trade receivables	(780)	(266)
Trade receivables - net	44,059	82,340

9. Trade payables

The ageing of the trade payables based on invoice date is as follows:

	As at 30.6.2026 HK\$'000	As at 31.12.2025 HK\$'000
1-30 days	18,469	23,122
31-90 days	10,513	12,429
Over 90 days	3,634	6,406
	32,616	41,957

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend (2025: 1.0 HK cent per share and totalling HK\$9,738,000) for the year ending 31st December 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS

Turnover

During the period under review, macroeconomic uncertainty persisted and the Group's business continued to face a challenging operating environment with no improvement in business conditions. However, mainly due to the Renminbi ("RMB") exchange rate used during the period being approximately 6% higher than that of the corresponding period last year and the increase in revenue from property sales, the Group recorded total turnover of HK\$519,310,000 for the period, representing an increase of 7% from HK\$487,111,000 for the corresponding period last year.

Cost of sales and gross profit

Cost of sales for the period was HK\$214,549,000, mainly including cost of inventories sold of the apparel operation of HK\$159,358,000, reversal of provision for impairment of inventories of HK\$2,166,000, cost of properties sold of HK\$40,204,000 and direct operating expenses arising from investment properties of HK\$17,107,000.

During the period, cost of inventories sold of the apparel operation was HK\$159,358,000, representing an increase of 8% from HK\$147,947,000 for the corresponding period last year. Gross profit before impairment of inventories amounted to HK\$199,894,000, representing an increase of 7% from HK\$187,057,000 for the corresponding period last year. Gross profit margin excluding the impact of impairment of inventories was 56%, comparable to 56% for the corresponding period last year. The Group recorded a reversal of provision for impairment of inventories of HK\$2,166,000 during the period due to lower overall inventory level whereas provision for the corresponding period last year was HK\$8,501,000.

Cost of properties sold for the period was HK\$40,204,000, higher than HK\$23,179,000 for the corresponding period last year. Due to price reductions to boost sales, gross profit margin from property sales was 8.4%, lower than 17.2% for the corresponding period last year.

Cost of sales for the period included direct operating expenses arising from investment properties of HK\$17,107,000, representing a decrease of approximately 6% from HK\$18,239,000 for the corresponding period last year. The decrease was mainly due to less spendings resulted from higher vacancy rates for investment properties during the period.

Other losses

The Group recorded fair value losses on investment properties of HK\$43,699,000 in line with the market conditions during the period, representing an increase of HK\$20,746,000 from HK\$22,953,000 for the corresponding period last year.

In addition, the Group deregistered a subsidiary in China Mainland during the period. As the share capital of the subsidiary was recorded at a higher historical RMB exchange rate, the Group recorded a loss on deregistration of HK\$7,469,000 during the period.

Operating expenses

Selling and marketing costs mainly consist of manpower costs for sales staff, rental expenses of sales outlets, operating costs for e-commerce sales platforms, advertising and promotion, and relevant marketing expenses and tax fees relating to the Meixian property development project. The Group recorded selling and marketing costs of HK\$231,427,000 for the period, representing an

increase of approximately 12% from HK\$205,734,000 for the corresponding period last year. Apart from the higher RMB exchange rate, the increase was also attributable to marketing expenses incurred during the period for the newly launched snooker apparel series.

Administrative expenses include manpower costs for non-sales staff, depreciation, amortization and impairment expenses, and other miscellaneous expenses. As the Group recorded a net exchange loss of HK\$7,241,000 during the period, administrative expenses amounted to HK\$78,725,000, representing an increase of 6% from HK\$74,415,000 for the corresponding period last year. Such exchange loss was mainly attributable to exchange differences arising from funds remitted to Hong Kong from the deregistered subsidiary in China Mainland.

Operating loss

During the period, the Group recorded an operating loss of HK\$56,559,000, compared with an operating loss of HK\$14,148,000 for the corresponding period last year. Operating loss margin was approximately 10.9%, compared with approximately 2.9% for the corresponding period last year.

Loss attributable to owners of the Company

Due to the decrease in deposit interest rates, interest income for the period amounted to HK\$8,895,000, representing a decrease of approximately 28% from HK\$12,392,000 for the corresponding period last year. Interest expense arising from lease liabilities for the period amounted to HK\$1,146,000, compared with HK\$800,000 for the corresponding period last year.

After accounting for the reversal of tax for fair value losses on investment properties amounting to HK\$10,143,000 (HK\$3,418,000 for the corresponding period last year), income tax credit for the period was HK\$1,645,000, compared with an expense of HK\$1,388,000 for the corresponding period last year. Tax expense excluding tax effect on fair value losses of investment properties was HK\$8,498,000 (HK\$4,806,000 for the corresponding period last year) mainly arising from profit of our property investment business. The Group did not recognize certain deferred income tax assets arising from tax losses during the period from our apparel operation in China Mainland as the use of such tax losses is uncertain.

The Group recorded a loss attributable to owners of the company of HK\$47,165,000 during the period, compared with a loss of HK\$3,960,000 for the same period last year. Profit for the period would be HK\$1,101,000 if the net fair value losses after tax on investment properties of HK\$33,556,000 (HK\$19,535,000 for the corresponding period last year) and non-recurring items including loss on deregistration of a subsidiary of HK\$7,469,000 and net exchange loss of HK\$7,241,000 (HK\$260,000 for the corresponding period last year) were excluded, as against a profit of HK\$15,835,000 of the corresponding period last year.

BUSINESS REVIEW

Apparel Business

China Mainland and Hong Kong SAR Markets

During the period, the domestic market remained sluggish with subdued retail sentiment, low consumer confidence and no clear improvement in demand. This further increased pressure on the operation of traditional menswear market which continued to face consumption downgrade, intense competition and impact of low-price online promotions. The overall turnover of domestic apparel recorded HK\$343,141,000 during the period, representing an increase of approximately 8% from the corresponding period last year. However, due to the adoption of a higher RMB exchange rate, the increase would be 2% in terms of original currency.

In China Mainland, the Group has continued to conduct its apparel operation through wholesaling to distributors in various cities and provinces, primarily through self-operated retail shops and factory outlets located mainly in Guangzhou, Shanghai, Beijing, Chongqing, Liaoning, Jilin and Shandong, as well as through e-commerce and custom-ordering.

For wholesaling operation, our distributors remained cautious towards the market outlook with weak ordering sentiment, resulting in a decrease in orders for our 2026 spring and summer collections. Together with the termination of distributorship of a distributor in the second half of last year, our wholesaling sales in RMB decreased by 14% during the period. In response to market conditions, the Group has adopted a selling model with more diversified sales channels in recent years. Accordingly, wholesale sales decreased to approximately 17% of the Group's domestic apparel sales during the period.

In recent years, consumers have become increasingly focused on price, functionality and value for money when making purchasing decisions, which caused pressure on sales of mid to high end menswear products. The Group's direct retail performance was affected and our self-operated retail sales decreased by 2% in RMB from the corresponding period last year. Same-store sales (excluding the effect of new stores) declined by 5% while sales from this business unit accounted for approximately 27% of the Group's domestic apparel sales.

The Group's factory outlets operation remained under pressure, with sales in RMB decreased by approximately 13% from the corresponding period last year. Sales through this channel accounted for 12% of the Group's domestic apparel sales.

At the end of the period, the Group's apparel products were sold through approximately 674 retail outlets in China Mainland, among which 146 were self-operated including 36 factory outlets.

During the period, the Group's e-commerce business delivered a relatively solid performance. Sales in RMB increased by 9% compared to the corresponding period last year. During the period, the sales were mainly generated from special selected items. As its performance was better than other sales channels, sales of this business unit increased to 36% of the Group's domestic apparel sales.

In addition, the Group appointed a local operator at the beginning of last year to operate our custom-ordering operation. As the business was still in its initial stage, sales were relatively modest during the corresponding period last year but improved gradually during the period.

Besides, the Group continued to advance its snooker series project during the period. Through collaboration with relevant sports associations, sponsorship of leading international and domestic snooker players and major world events, the Group promoted its newly launched snooker series apparel products. These initiatives included the opening of a flagship store featuring a snooker theme in Wuhan's Chuhe Hanjie at the end of last year.

After accounted for the reversal of provision for impairment of inventories of the period by HK\$2,310,000 (provision of HK\$7,631,000 for the corresponding period last year), gross profit of our China Mainland apparel operation was HK\$193,634,000 (HK\$170,525,000 for the corresponding period last year). Gross profit margin was 56% (54% for the corresponding period last year). However, advertising and promotion expenses increased during the period mainly due to the new snooker apparel series. As a result, the Mainland apparel business recorded an operating loss of HK\$49,014,000 for the period, compared with an operating loss of HK\$46,559,000 for the corresponding period last year.

During the period under review, the Group continued to grant licenses for distribution of shoes, leather goods, undergarments and casual wear in China Mainland. Licensing fees were charged in accordance with the terms of the relevant licensing agreements during the period. The Group recorded a licensing income of HK\$30,787,000 during the period, representing a decrease of approximately 3%, or 9% in terms of RMB from the corresponding period last year due to fee reduction.

Singapore Markets

During the period, consumer demand for apparel in Singapore remained weak. Performance of certain shops in the Group was also affected by renovation works at shopping malls. During the period, sales from our apparel business amounted to HK\$16,110,000, representing a decrease of 6% as compared with HK\$17,081,000 in the corresponding period last year. The decrease in local currency was 7%.

With fewer discounted sales, gross margin before inventory impairment rose to 53% from 52% in the corresponding period last year. Provision for impairment of inventories during the period amounted to HK\$144,000 and was lower than the amount of HK\$870,000 in the corresponding period last year.

After accounting for the impact of various impairment provisions, the Group's Singapore apparel business recorded an operating loss of HK\$2,559,000 during the period and was lower than the loss of HK\$3,461,000 of the corresponding period last year.

The Group currently operates a total of 5 Goldlion shops and 5 counters in Singapore.

Property Investment and Development

The Group's investment property portfolio had no significant changes during the period when compared with the end of last year. The value of such properties after independent professional valuation amounted to approximately HK\$2,653,182,000 at the end of the period, of which property holdings in China Mainland, Hong Kong and Singapore were approximately HK\$1,425,918,000, HK\$1,164,800,000 and HK\$62,464,000 respectively. Due to the appreciation of RMB exchange rate, total value of investment properties in Hong Kong dollar was higher than the amount of HK\$2,645,018,000 at the end of last year. The Group's fair value losses on investment properties as based on the same independent valuation amounted to HK\$43,699,000, whereas the fair value losses were HK\$22,953,000 for the corresponding period last year. The losses during the period were mainly derived from the property holdings in China Mainland, especially the Goldlion Digital Network Centre in Guangzhou, while the fair value for properties in Hong Kong also decreased slightly.

Industrial and commercial property markets in China Mainland and Hong Kong continued to face oversupply, rental pressure and weak demand condition. During the period, the Group's rental income and building management fees amounted to HK\$66,446,000 and HK\$18,796,000, respectively, the total of which represented a decrease of approximately 7% over the corresponding period last year. The decrease was mainly due to the increase in vacant units and decrease in rents.

During the period, demand for office space in China Mainland was weak. In Guangzhou, the leasing of Goldlion Digital Network Centre is yet to be improved. Rental income and building management fees in RMB were approximately 11% lower than the corresponding period last year. The overall occupancy rate declined to approximately 73%, which was lower than the 77% of the corresponding period last year. Besides, our property in Yuan Village in Guangzhou continued to fully lease out during the period. Rental income and building management fees in RMB were slightly lower than the corresponding period last year by 1%.

The Group's Goldlion Commercial Building in Shenyang continued to provide physical retail space for leasing during the period. Considering the market condition, the Group adjusted rents for certain renewed tenants. As a result, total rental income and building management fee income in RMB decreased by 16% from the corresponding period last year.

As leases of certain vacant units could not be taken up timely, occupancy rate of the Group's Goldlion Holdings Centre in Shatin decreased from 86% in the corresponding period last year to 72%. Overall rental and property management fee income decreased by approximately 16% from the corresponding period last year. For the property at No. 3 Yuk Yat Street, To Kwa Wan, the occupancy rate decreased to 86% as certain units being vacant, resulting in a decrease of approximately 6% in overall income compared to the corresponding period last year.

The Mainland property market remained in deep adjustment with no sign of recovery. Sales of the Group's property development project "Goldlion Garden" in Meixian remained slow during the period, with only 51 units sold. The Group recognized revenue from property sales of HK\$43,901,000 and gross profit of HK\$3,697,000. At the end of the period, there were still 523 high-rise units and 43 low-rise units remaining for sale.

In view of the small scale of the business, the Group's domestic photovoltaic operation was discontinued following the sales of its remaining project during the period.

PROSPECTS

Looking ahead to the second half of 2026, the Group anticipates that the operating environment will remain challenging. In China Mainland, consumer confidence is recovering slowly, while competition in the traditional menswear market remains keen and consumption downgrade continues to affect sales and profitability. At the same time, demand for industrial and commercial property leasing remains weak, resulting in higher vacancies and downward pressure on rents. The ongoing adjustment in the real estate market is also expected to continue affecting the sales progress of the remaining units of "Goldlion Garden" in Meixian. In view of these factors, the Group remains cautious about its operating outlook for the second half of the year and business conditions would remain challenging.

The Group will continue to adopt a prudent and flexible operating approach in response to market conditions. For the apparel operation, the Group will focus on improving its product quality and mix, steadily developing businesses with growth potential, and monitoring resources allocated to stores and sales channels. These measures are intended to enhance operational efficiency and strengthen the brand's image. Meanwhile, the Group will further strengthen inventory management to reduce the impact of market fluctuations on its business operations.

Regarding our property investment and development operation, the Group will continue to take proactive measures to improve the performance of its major investment properties. It will also seek to minimize vacancies. For the remaining units of Meixian Goldlion Garden, the Group will adopt a flexible sales strategy in response to market conditions. These measures aim to preserve and support the Group's long-term sustainable development.

FINANCIAL POSITION

As at 30th June 2026, the Group had cash and bank balances (including restricted cash of HK\$780,000) of approximately HK\$1,193,059,000, which was HK\$233,000 lower than that at the end of last year. During the period, the Group recorded a net cash inflow from operating activities of HK\$12,537,000 and received interest income of HK\$10,691,000. However, the Group also incurred cash outflows of HK\$17,427,000 for additions to fixed assets and HK\$9,918,000 for the principal elements of lease payments.

As at 30th June 2026, the Group did not have any bank loans or overdrafts. The gearing ratio, defined as the ratio of total lease liabilities less cash and bank balances divided by total equity, was zero.

As at 30th June 2026, the Group's current assets and liabilities were HK\$2,229,815,000 and HK\$342,336,000 respectively, with a current ratio at 6.5. Total current liabilities were 7.7% of the average capital and reserves attributable to owners of the Company of HK\$4,468,578,000.

As at 30th June 2026, the Group did not have any material contingent liabilities and had not charged any of the Group's assets.

As at 30th June 2026, the Group had guarantees in respect of mortgage facilities for certain property buyers amounting to HK\$2,120,000. Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted buyers to the banks and the Group is entitled to retain the legal title and take over the possession of the related properties. The above guarantees are to be discharged upon the earlier of (i) the banks received the corresponding real estate ownership certificates as custody; or (ii) the satisfaction of mortgaged loans by the property buyers. The Board considers that in case of default in payments, the net realizable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty. Therefore, no provision has been made in the financial statements for the guarantees.

The Group conducted the business mainly in the China Mainland market through its China Mainland subsidiaries. Most of the relevant transactions were denominated in RMB and transactions involving foreign currencies were minimal. Foreign currency exposure did not pose a significant risk for the Group, but we will remain vigilant and closely monitor our exposure to movements in relevant currencies.

HUMAN RESOURCES

At 30th June 2026, the Group had approximately 1,500 employees. Staff costs including directors' emoluments amounted to HK\$118,917,000 for the six months ended 30th June 2026. The Group ensures that employees' remuneration packages are competitive and are determined mainly by factors including job nature, market conditions and individual performance, qualification and experience. The Group also provides other benefits to its employees and training as and when required.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company did not redeem any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

CORPORATE GOVERNANCE

The Company has complied with the Code Provisions in the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the six months ended 30th June 2026. In respect of Code Provision C.2.1, the positions of the Chairman of the Board and the Chief Executive Officer are held by the same individual, namely, Mr. Tsang Chi Ming, Ricky. The Board believes that holding the positions of both Chairman and Chief Executive Officer by Mr. Tsang Chi Ming, Ricky provides the Group with more effective planning and execution of long-term business strategies and enhances efficiency in decision-making. The Board also believes that an effective corporate governance structure of the Group has been in place to ensure an appropriate monitoring of Management.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules. During the six months ended 30th June 2026, all the Directors have complied with the relevant requirements under the Model Code regarding their dealing in the securities of the Company.

AUDIT COMMITTEE

The Company has formed an Audit Committee to review and supervise the financial reporting process, risk management and internal control procedures of the Group. As at the date of this announcement, the Audit Committee has three members comprising Mr. Li Ka Fai, David (Chairman), Ms. Lo Wing Sze and Mr. Chan Kwong Ming, Johnny, all of them being independent non-executive Directors of the Company.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed the Group's unaudited interim financial information for the six months ended 30th June 2026. At the request of the Board of Directors, the Company's external auditor, PricewaterhouseCoopers, has carried out a review of this unaudited interim financial information in accordance with Hong Kong Standard on Review Engagements 2410 issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INFORMATION ON THE WEBSITE OF THE COMPANY AND THE STOCK EXCHANGE

The interim results announcement is published on the website of the Company (www.goldlion.com) and the Stock Exchange (www.hkexnews.hk). The 2026 interim report, containing all the information required by Appendix D2 of the Listing Rules, will be dispatched to shareholders and made available on the above websites in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Directors of the Company comprise Mr. Tsang Chi Ming, Ricky (Chairman and Chief Executive Officer) as an executive Director; and Mr. Li Ka Fai, David, Ms. Lo Wing Sze and Mr. Chan Kwong Ming, Johnny as independent non-executive Directors.

By order of the Board
Kam Yiu Kwok
Company Secretary

Hong Kong, 14th August 2026