MILAN STATION HOLDINGS LIMITED
米蘭站控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1150)

2026 INTERIM RESULTS ANNOUNCEMENT

The board (the "**Board**") of directors (the "**Directors**") of Milan Station Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the six months ended 30 June 2026. This announcement, containing the full text of the 2026 Interim Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") in relation to information to accompany preliminary announcement of interim results.

For and on behalf of the Board
Milan Station Holdings Limited
Hu Bo
Executive Director

Hong Kong, 28 August 2026

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

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Hu Bo
Ms. Ji Guiping

Independent Non-executive Directors

Mr. Chan Chi Hung
Mr. Tou Kin Chuen
Mr. Choi Kam Yan, Simon

AUDIT COMMITTEE

Mr. Tou Kin Chuen
(Chairman of audit committee)
Mr. Chan Chi Hung
Mr. Choi Kam Yan, Simon

REMUNERATION COMMITTEE

Mr. Tou Kin Chuen
(Chairman of remuneration committee)
Mr. Chan Chi Hung
Mr. Hu Bo

NOMINATION COMMITTEE

Mr. Hu Bo
(Chairman of nomination committee)
Mr. Chan Chi Hung
Mr. Tou Kin Chuen

AUDITOR

McMillan Woods (Hong Kong) CPA Limited
24/F., Siu On Centre,
188 Lockhart Road, Wanchai,
Hong Kong

COMPANY SECRETARY

Ms. Tam Tsz Yan

AUTHORISED REPRESENTATIVES

Mr. Hu Bo
Ms. Tam Tsz Yan

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room A9, 3F., Block A
Hong Kong Industrial Centre
489-491 Castle Peak Road
Lai Chi Kok, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A,
Block 3, Building D,
P.O. Box 1586, Gardenia Court
Camana Bay,
Grand Cayman, KY1-1100,
Cayman Islands

Corporate Information

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

COMPANY'S WEBSITE

hk.milanstation.com

STOCK CODE

1150

PRINCIPAL BANKERS

Hong Kong

OCBC Wing Hang Bank Limited
DBS Bank (Hong Kong) Limited
China Construction Bank (Asia) Corporation Limited

Condensed Consolidated Statement of Profit or Loss

UNAUDITED INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of Milan Station Holdings Limited (the "Company") presents the unaudited condensed consolidated interim financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2026 (the "Period") together with the comparative unaudited figures for the corresponding period in 2025 and the relevant explanatory notes as set out below. The interim results for the Period are unaudited, but have been reviewed by the audit committee of the Company (the "Audit Committee").

		For the six months ended 30 June	
	Note	**2026**	2025
		(Unaudited)	(Unaudited)
		HK$'000	HK$'000
Revenue	4	**49,143**	50,057
Cost of sales		**(45,106)**	(44,314)
Gross profit		**4,037**	5,743
Other income	4	**577**	729
Net gain/(loss) on financial assets at fair value through profit or loss		**6,625**	(1,878)
Selling expenses		**(7,404)**	(7,983)
Administrative and other operating expenses		**(4,980)**	(6,810)
Loss from operations		**(1,145)**	(10,199)
Finance costs	5	**(1,011)**	(695)
Loss before tax	6	**(2,156)**	(10,894)
Income tax expense	7	**–**	(129)
Loss for the period		**(2,156)**	(11,023)
Loss for the period attributable to:			
Owners of the Company		**(2,156)**	(11,023)
Loss per share			
– Basic	8	**HK(0.20) cents**	HK(1.04) cents
– Diluted	8	**HK(0.20) cents**	HK(1.04) cents

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Loss for the period	**(2,156)**	(11,023)
Other comprehensive loss, net of tax:		
Item that may be reclassified to profit or loss in subsequent periods:		
Exchange differences arising on translation of foreign operations	**–**	(1)
Total comprehensive loss for the period	**(2,156)**	(11,024)
Total comprehensive loss for the period attributable to:		
Owners of the Company	**(2,156)**	(11,024)

Condensed Consolidated Statement of Financial Position

	Note	30 June 2026	31 December 2025
		(Unaudited) HK$'000	(Audited) HK$'000
Non-current assets			
Property, plant and equipment	10	1,919	2,260
Right-of-use assets	11	4,371	5,846
Deposits		1,057	2,188
		7,347	10,294
Current assets			
Inventories		21,319	22,533
Trade receivables	12	514	7,342
Loan receivables	13	541	2,857
Prepayments, deposits and other receivables		5,291	3,810
Financial assets at fair value through profit or loss		65,578	57,362
Cash and bank balances		9,012	8,057
Income tax recoverable		49	49
		102,304	102,010
Current liabilities			
Trade and other payables	14	11,424	9,328
Contract liabilities		33	164
Lease liabilities		4,596	5,892
Other borrowings		2,177	2,097
Bond payables		8,320	8,080
Income tax liabilities		278	278
		26,828	25,839
Net current assets		75,476	76,171
Total assets less current liabilities		82,823	86,465
Non-current liabilities			
Provisions		302	302
Bond payables		9,255	8,801
Lease liabilities		2,216	4,156
		11,773	13,259
NET ASSETS		71,050	73,206
CAPITAL AND RESERVES			
Equity attributable to owners of the Company			
Share capital	15	42,277	42,277
Reserves		28,773	30,929
TOTAL EQUITY		71,050	73,206

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company						
	Issued capital	Share premium account	Capital reserve	Merger reserve	Exchange reserve	Accumulated losses	Total equity
	HK$'000	HK$'000 (note a)	HK$'000 (note b)	HK$'000 (note c)	HK$'000	HK$'000	HK$'000
At 1 January 2026 (audited)	42,277	271,741	10	(23,782)	–	(217,040)	73,206
Loss for the Period	–	–	–	–	–	(2,156)	(2,156)
Total comprehensive loss for the period	–	–	–	–	–	(2,156)	(2,156)
At 30 June 2026 (unaudited)	42,277	271,741	10	(23,782)	–	(219,196)	71,050

	Attributable to owners of the Company						
	Issued capital	Share premium account	Capital reserve	Merger reserve	Exchange reserve	Accumulated losses	Total equity
	HK$'000	HK$'000 (note a)	HK$'000 (note b)	HK$'000 (note c)	HK$'000	HK$'000	HK$'000
At 1 January 2025 (audited)	42,277	271,741	10	(23,782)	527	(218,537)	72,236
Exchange differences arising on translation of foreign operations	–	–	–	–	(1)	–	(1)
Loss for the Period	–	–	–	–	–	(11,023)	(11,023)
Total comprehensive loss for the period	–	–	–	–	(1)	(11,023)	(11,024)
At 30 June 2025 (unaudited)	42,277	271,741	10	(23,782)	526	(229,560)	61,212

Notes:

(a) The share premium account of the Group includes: (i) the premium arising from the issue of new shares in prior years; (ii) the expense incurred in connection with issuance of new shares in prior years; (iii) dividends declared and paid in prior years; and (iv) amount transferred from share-based compensation reserve upon exercise of share options.

(b) The capital reserve represents the difference between the nominal value of shares of the subsidiaries acquired pursuant to the group reorganisation on 28 April 2011 and the nominal value of the ordinary shares of a subsidiary of the Company in exchange therefor.

(c) The merger reserve represents the excess of the consideration for acquiring subsidiaries over the nominal value of the paid-up capital of the subsidiaries acquired.

Condensed Consolidated Statement of Cash Flows

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	**6,020**	5,277
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(1,592)**	(1,196)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	**(3,473)**	(5,888)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**955**	(1,807)
Cash and cash equivalents at beginning of the period	**8,057**	11,249
Effect of foreign exchange rates, net	**–**	5
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**9,012**	9,447
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**9,012**	9,447

Notes to Condensed Consolidated Interim Financial Statements

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 1 November 2007. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its head office and 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, fashion accessories and embellishments. There were no significant changes in the nature of the Group's principal activities during the Period.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements (the "Interim Financial Statements") have been prepared in accordance with the applicable disclosure requirements of the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard (the "HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Group's interim unaudited condensed consolidated financial statements should be read in conjunction with its annual audited consolidated financial statements for the year ended 31 December 2025 and have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair values. The principal accounting policies (including the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the annual audited consolidated financial statements for the year ended 31 December 2025 except for the new and revised HKFRS Accounting Standards, amendments and interpretations issued by the HKICPA that are adopted for the first time for the Period.

During the Period, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2026. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards, and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's unaudited condensed consolidated financial statements and amounts reported for the current and prior accounting periods.

The Group has not early applied new, revised and amendments to HKFRS Accounting Standards that have been issued but are not yet effective for the period ended 30 June 2026. The Directors anticipate that the new, revised and amendments to HKFRS Accounting Standards will be adopted in the Group's unaudited condensed consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all the new and revised HKFRS Accounting Standards that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

The Interim Financial Statements are presented in Hong Kong dollar ("HK$") and all are rounded to the nearest thousand except for otherwise indicated. The Group's Interim Financial Statements have been reviewed by the Audit Committee of the Company.

Notes to Condensed Consolidated Interim Financial Statements

3. 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 disclosures are presented accordingly.

Information about major customers

No customer of the Group has individually accounted for 10% or more of the Group's total revenue during the six months ended 30 June 2026 and 2025 and thus no information about major customers is presented accordingly.

4. REVENUE AND OTHER INCOME

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Revenue		
Revenue from contracts with customers within the scope of HKFRS 15:		
Disaggregation of revenue from contracts with customers recognised at a point in time by major products for the period as follow:		
Sales of handbags	**48,670**	49,657
Sales of fashion accessories	**473**	400
	49,143	50,057
Other income		
Interest income	**–**	3
Interest income on loan receivables	**422**	223
Others	**155**	503
	577	729

Notes to Condensed Consolidated Interim Financial Statements

5. FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Imputed interest expenses on bond payables	**694**	400
Interest expense on other borrowings	**80**	–
Interest expense on lease liabilities	**237**	295
	1,011	695

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
(a) Employee benefit expenses (including directors' emoluments)		
Salaries, wages and other benefits	**2,989**	3,663
Pension scheme contributions	**110**	130
	3,099	3,793
(b) Other items		
Cost of inventories sold	**45,106**	44,314
Depreciation		
– property, plant and equipment	**341**	465
– right-of-use assets	**1,475**	3,613

7. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Hong Kong Profits Tax		
– Underprovision in prior year	**–**	129

Under the two-tiered profits tax regime, the first HK$2 million of assessable profits of the qualifying group entity established in Hong Kong will be subject to a tax rate of 8.25% and assessable profits above that amount will be subject to a tax rate of 16.5%. The assessable profits of the group entities not qualifying for the two-tiered profits tax rate regime will continue to be taxed at a rate of 16.5%.

No provision for Hong Kong Profits Tax is required since the Group's Hong Kong entities have no assessable profit for the Period (2025: Nil).

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 Law is required since the PRC subsidiaries of the Group have no assessable profits for the Period (2025: Nil).

Notes to Condensed Consolidated Interim Financial Statements

8. LOSS PER SHARE

(a) Basic

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Loss		
Loss attributable to owners of the Company for the purpose of calculating basic loss per share	**(2,156)**	(11,023)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**1,056,936,650**	1,056,936,650

(b) Diluted

No adjustment has been made to the basic loss per share for the six months ended 30 June 2026 and 2025 as the Company did not have any outstanding dilutive potential ordinary shares during the period.

9. DIVIDENDS

No dividend was paid or proposed for the Period (30 June 2025: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group did not acquire any property, plant and equipment (six months ended 30 June 2025: approximately HK$1,199,000).

During the six months ended 30 June 2026, the Group did not dispose of any property, plant and equipment (six months ended 30 June 2025: Nil).

11. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, the Group did not enter into any new lease arrangement (six months ended 30 June 2025: one new lease of approximately HK$6,672,000). There were also no additions to right-of-use assets arising from the renewal of existing leases during the Period (six months ended 30 June 2025: Nil).

12. TRADE RECEIVABLES

The Group's trading terms with its customers related to sales of handbags and accessories are mainly on cash and credit card 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. Customers are generally granted with credit term of 0-90 days during the periods.

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Trade receivables	2,134	8,962
Less: Allowance for expected credit losses ("ECLs")	(1,620)	(1,620)
	514	7,342

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

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Within 1 month	373	5,301
1 to 2 months	–	–
2 to 3 months	–	–
4 to 6 months	141	–
7 to 12 months	–	2,041
	514	7,342

13. LOAN RECEIVABLES

The Group's loan receivables, which arise from money lending business in Hong Kong, are unsecured, interest-bearing at rate of 8% (2025: 8%) per annum. The loan receivables are short-term loans and repayable by 1 year (2025: 1 year).

An aged analysis of the loan receivables as at the end of the reporting period, based on the terms of loan, is as follows:

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Loan receivables	10,831	13,147
Less: Allowance for ECLs	(10,290)	(10,290)
Within 1 year	541	2,857

Notes to Condensed Consolidated Interim Financial Statements

14. TRADE AND OTHER PAYABLES

	30 June 2026	31 December 2025
	(Unaudited) HK$'000	(Audited) HK$'000
Trade payables	2,192	599
Accrued liabilities	8,118	7,639
Other payables	1,114	1,090
	11,424	9,328

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

	30 June 2026	31 December 2025
	(Unaudited) HK$'000	(Audited) HK$'000
Within 1 month	195	599
1 to 2 months	–	–
2 to 3 months	–	–
4 to 6 months	1,997	–
	2,192	599

15. SHARE CAPITAL

	30 June 2026	31 December 2025
	(Unaudited) HK$'000	(Audited) HK$'000
Authorised:		
2,000,000,000 (31 December 2025: 2,000,000,000) ordinary shares of HK$0.04 each	80,000	80,000
Issued and fully paid:		
1,056,936,650 (31 December 2025: 1,056,936,650) ordinary shares of HK$0.04 each	42,277	42,277

Notes to Condensed Consolidated Interim Financial Statements

16. RELATED PARTY TRANSACTIONS

(i) The Group had the material transactions with related parties as follows:

	Amount settled during the six months ended 30 June		Related interest expense for the six months ended 30 June	
	2026	2025	**2026**	2025
	(Unaudited) HK$'000	(Unaudited) HK$'000	**(Unaudited) HK$'000**	(Unaudited) HK$'000
Payment for the lease liabilities (Note)	**–**	1,100	**–**	13

Note: Milan Station (Causeway Bay) Limited ("MS (CWB)"), a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company, and Excel Trend Limited ("Excel Trend"), a company incorporated in Hong Kong with limited liability and indirectly beneficially wholly owned by Mr. Yiu Kwan Tat ("Mr. Yiu"), who are directors of certain subsidiaries of the Company, entered into a lease agreement in relation to the leasing of the premises situated at Areas E and F on the Ground Floor of Percival House, No. 83 Percival Street, Causeway Bay, Hong Kong for retail uses. On 17 June 2022, the Group entered into a new lease agreement in respect of the same leasehold properties for three years with Mr. Yiu (the "New Lease"). The amount of New Lease payable by the Group under the New Lease is HK$220,000 per month, which was determined with reference to market rent. The total amount of the lease payment is HK$7,920,000 and deposit is HK$660,000. The New Lease has expired on 16 June 2025 and the deposit was refunded during the year ended 31 December 2025.

(ii) Compensation of key management personnel of the Group during the periods are as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited) HK$'000	(Unaudited) HK$'000
Short-term employee benefits	**696**	942
Post-employment benefits	**14**	18
	710	960

Notes to Condensed Consolidated Interim Financial Statements

17. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	30 June 2026	31 December 2025
	(Unaudited) HK$'000	(Audited) HK$'000
Financial assets at fair value through profit or loss:		
Listed securities	65,578	57,362
Financial assets at amortised cost:		
Trade receivables	514	7,342
Loan receivables	541	2,857
Deposits and other receivables	5,534	4,852
Cash and bank balances	9,012	8,057

Financial liabilities

	30 June 2026	31 December 2025
	(Unaudited) HK$'000	(Audited) HK$'000
Financial liabilities at amortised cost:		
Trade payables	2,192	599
Other borrowings	2,177	2,097
Bond payables	17,575	16,881
Accrued liabilities and other payables	7,573	6,822
Lease liabilities	6,812	10,048

18. APPROVAL OF UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved and authorised for issue by the Board on 28 August 2026.

Management Discussion and Analysis

MARKET OVERVIEW

The seasonally adjusted unemployment rate remained 3.7% in May to July 2026. The Census and Statistics Department has published Report on Monthly Survey of Retail Sales, which shows that the value of total retail sales in June 2026, provisionally estimated at HK$31.5 billion, increased by approximately 4.6% compared with the same month in 2025. In light of the above, the retail sales is start to be rebounded because of the "wealth effect" of resilient domestic high-net-worth individuals and affluent inbound traveler. Consumer behaviors have shifted toward highly selective, identity-driven spending.

The corporations 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 and the evolving monetary policy stance of major central banks also warrant attention.

BUSINESS REVIEW

During the Period, the Group's total revenue decreased by approximately 2% to approximately HK$49.1 million. The Group's revenue generated in the markets of Hong Kong. The Group's gross profit was approximately HK$4 million, which was decreased by approximately 29.8% as compared to the same period last year. The Group recorded a net loss of approximately HK$2.2 million, which was decreased by approximately 80.4% as compared to the same period last year. The decrease of net loss was mainly due to the net gain recognised on financial assets at fair value through profit or loss and the effective cost control of the administrative and other operating expenses.

Hong Kong

During the Period, sales of the Group in Hong Kong decreased by approximately 2% to approximately HK$49.1 million. The revenue was generated from the 4 "Milan Station" retail stores in Hong Kong, 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. In order to strengthen the Group's leading position in the luxury handbags trading industry, the Group continued to devote 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.

During the six months ended 30 June 2026, the Group remained prudent on the store network expansion strategy and adhered to the principle of providing genuine and certified products for its customers and formulated stringent and systematic product certification programs. The Group also focus on the control on cost. The Group also tried to open new stores in more favourable places with cheaper rent. During the six months ended 30 June 2026, 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 30 June 2026, the Group held listed securities in Hong Kong with the fair value of approximately HK$65.6 million (31 December 2025: approximately HK$57.4 million), under financial assets at fair value through profit or loss. The Group recognised net gain of approximately HK$6.6 million on these financial assets. In light of the recent volatile in the Hong Kong financial market, the Group will closely monitor the performance of this investment portfolio and maintain a prudent investment strategy with the aim to improve the capital usage efficiency and generate additional returns on the idle funds of the Group.

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2026, total revenue decreased to approximately HK$49.1 million, representing a decrease of 2% as compared to approximately HK$50.1 million recorded in the corresponding period last year. Handbags were the most important product category for the Group, representing over 99.2% (2025: 99.2%) of the total revenue of the Group. The revenue generated from the sales of unused products increased from approximately HK$37.1 million recorded in the corresponding period last year, representing approximately 74.1% of the total revenue of the Group, to approximately HK$38.6 million during the six months ended 30 June 2026, representing approximately 78.6% of the total revenue of the Group.

Since most of 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.

Management Discussion and Analysis

The table below sets out the breakdown of the Group's revenue recorded for the six months ended 30 June 2026 and 2025 by product categories, by price range of products and by geographical locations and their respective approximate percentages to the total revenue of the Group:

	For the six months ended 30 June				
	2026		2025		
	HK$ million	**Approximate percentage of total revenue %**	HK$ million	Approximate percentage of total revenue %	**Approximate percentage change in revenue %**
By product categories (handbags and other products)					
Handbags	**48.7**	**99.2**	49.7	99.2	(2.0)
Other products	**0.4**	**0.8**	0.4	0.8	–
Total	**49.1**	**100**	50.1	100	(2.0)
By product categories (unused and second-hand products)					
Unused products	**38.6**	**78.6**	37.1	74.1	4.0
Second-hand products	**10.5**	**21.4**	13.0	25.9	(19.2)
Total	**49.1**	**100**	50.1	100	(2.0)
By price range of products					
Within HK$10,000	**4.8**	**9.8**	4.2	8.4	14.3
HK$10,001 – HK$30,000	**9.9**	**20.1**	12.7	25.4	(22.0)
HK$30,001 – HK$50,000	**4.6**	**9.4**	8.5	16.8	(45.9)
Above HK$50,000	**29.8**	**60.7**	24.7	49.4	20.6
Total	**49.1**	**100**	50.1	100	(2.0)
By geographical location					
Hong Kong	**49.1**	**100**	50.1	100	(2.0)

Management Discussion and Analysis

Cost of sales

For the six months ended 30 June 2026, cost of sales of the Group was approximately HK$45.1 million, increased by approximately 1.8% as compared to the same period last year. Cost of sales mainly consists of cost of inventories sold by the Group's suppliers.

Gross profit and gross profit margin

Gross profit of the Group for the six months ended 30 June 2026 decreased by approximately HK$1.7 million to approximately HK$4 million, with its gross profit margin decreased from approximately 11.5% to approximately 8.2%. The decrease was mainly due to the discount sales of slow moving inventories.

Inventory analysis

The Group's total inventories as at 30 June 2026 and 31 December 2025 were approximately HK$21.3 million and HK$22.5 million respectively. The total inventories of the Group are recorded after netting of provision for slow-moving inventories.

The following table sets forth an aging analysis of inventories for the Group's handbag products as at 30 June 2026 and 31 December 2025:

	As at 30 June 2026	As at 31 December 2025
	HK$'000	HK$'000
Aging of inventories (handbags products)		
0 to 90 days	**3,377**	5,969
91 to 180 days	**2,337**	1,816
181 days to 1 year	**6,779**	3,266
Over 1 year	**8,722**	11,206
Total	**21,215**	22,257

The following table sets forth an aging analysis of inventories for the Group's other products as at 30 June 2026 and 31 December 2025:

	As at 30 June 2026	As at 31 December 2025
	HK$'000	HK$'000
Aging of inventories (other products)		
0 to 45 days	**28**	10
46 to 90 days	**7**	42
91 days to 1 year	**34**	168
Over 1 year	**35**	56
Total	**104**	276

Management Discussion and Analysis

The following table sets forth an aging analysis of inventories for the Group's premium priced handbag products over HK$50,000 as at 30 June 2026 and 31 December 2025:

	As at 30 June 2026	As at 31 December 2025
	HK$'000	HK$'000
Aging of inventories (handbags products over HK$50,000)		
0 to 90 days	2,362	1,839
91 to 180 days	–	2,798
181 days to 1 year	3,163	240
Over 1 year	6,364	8,665
Total	11,889	13,542

Other income

Other income amounted to approximately HK$0.6 million, representing a decrease of approximately HK$0.1 million compared to approximately HK$0.7 million in the corresponding period last year. The decrease was mainly attributable to absence of rent concession.

Net gain/(loss) on financial assets at fair value through profit or loss

Net gain on financial assets at fair value through profit or loss amounted to approximately HK$6.6 million, increased by approximately HK$8.5 million as compared to net loss amounted to approximately HK$1.9 million in corresponding period last year.

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 six months ended 30 June 2026, selling expenses of the Group were approximately HK$7.4 million, representing approximately 15.1% of its revenue (six months ended 30 June 2025: approximately HK$8.0 million, representing approximately 15.9% of revenue).

Administrative and other operating expenses

Administrative and other operating expenses of the Group for the six months ended 30 June 2026 amounted to approximately HK$5.0 million, representing approximately 10.1% of the revenue, decreased by approximately HK$1.8 million as compared to the corresponding period last year. The Group's administrative and other operating expenses mainly consist of Directors' remuneration, employee benefit expenses for the senior management and administrative staff, as well as legal and professional expenses.

Finance costs

Finance costs of the Group mainly consists of interest expenses on bond payables, interest expense on other borrowings and interest expense on lease liabilities. Finance costs amounted to approximately HK$1.0 million for the Period, increased by approximately HK$0.3 million or 45.5% as compared with the corresponding period last year.

Management Discussion and Analysis

Loss attributable to the owners of the Company

Loss attributable to the owners of the Company for the six months ended 30 June 2026 was approximately HK$2.2 million, representing a decrease of approximately 80.4% from loss of approximately HK$11 million for the six months ended 30 June 2025. The basic and diluted loss per share attributable to the owners of the Company was approximately HK0.20 cents and HK0.20 cents respectively for the six months ended 30 June 2026, as compared to the basic and diluted loss per share of approximately HK1.04 cents and HK1.04 cents respectively for the six months ended 30 June 2025.

Employees and remuneration policy

As at 30 June 2026, the Group had a total of 20 employees (31 December 2025: 20 employees). The Group's remuneration policy was determined according to the position, performance, 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. Emoluments of 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 30 June 2026 and 31 December 2025, the Group did not have any bank borrowings.

As at 30 June 2026, the Group's total balance of cash and bank balances, total liabilities and shareholders' equity were approximately HK$9.0 million, HK$38.6 million and HK$71.1 million respectively (31 December 2025: approximately HK$8.1 million, HK$39.1 million and HK$73.2 million respectively). The Group's gearing ratio (Note 1), current ratio (Note 2) and quick ratio (Note 3) as at 30 June 2026 were approximately 37.4%, 3.8 and 3.0 respectively (31 December 2025: 39.7%, 3.9 and 3.1 respectively).

Notes:

1. Gearing ratio is calculated based on the borrowings and lease liabilities divided by the total equity as at 30 June 2026 and multiplied by 100%.

2. Current ratio is calculated based on the total current assets divided by the total current liabilities as at 30 June 2026.

3. Quick ratio is calculated based on the difference between the total current assets and the inventories divided by the total current liabilities as at the end of the six months ended 30 June 2026.

Pledge of assets

As at 30 June 2026 and 31 December 2025, the Group did not obtain any bank borrowings or general banking facilities, and therefore no assets or bank deposits were pledged to banks.

Foreign exchange policy

The Group carried on its trading transactions mainly in HK$, Renminbi and United States ("US") dollars. 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 acceptable level.

Management Discussion and Analysis

Contingent liabilities

As at 30 June 2026, the Group did not have any significant contingent liabilities.

Capital commitments

The Group did not have any capital commitments on property, plant and equipment as at 30 June 2026 and 31 December 2025.

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 1 January 2026	Addition	Proceed	Gain on disposal	Fair value gain/(loss)	Fair value as at 30 June 2026	Percentage of shareholding	Approximate percentage to the total assets
		HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	(approximately)	
China Investment and Finance Group Limited	1226	4,058	665	–	–	821	5,544	1.5%	5.1%
China Automotive Interior Decoration Holdings Limited	48	3,701	512	(1,001)	333	4,588	8,133	4.9%	7.4%
BFB Health Limited	205	16,140	1,831	(6,300)	3,823	(8,734)	6,760	0.8%	6.2%
Tai Kam Holdings Limited	8321	8,908	1,557	–	–	7,349	17,814	1.8%	16.2%
Others		24,555	12,893	(8,566)	6,072	(7,627)	27,327		
		57,362	17,458	(15,867)	10,228	(3,603)	65,578		

Except the significant investments disclosed above, there was no investment held by the Group of which the value was more than 5% of the total assets of the Group.

OUTLOOK

Domestically, the government launched different scheme to encourage the tourism and hence stimulate 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. The development of the Greater Bay Area economic region is also expected to provide new opportunities for Hong Kong's luxury retailers to expand their reach and customer base.

Looking ahead, local consumption may reduce further on the increase of unemployment. Besides, various uncertainty such as China-US relations, geopolitical tensions and the evolving policy stance of major central banks 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.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the Directors and the chief executive of the Company had the following interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register required to be kept therein or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Appendix C3 to the Listing Rules to be notified to the Company and the Stock Exchange.

Long positions in shares of the Company

Name of participants	Number of share held	Number of share options: Personal Interest	Number of share options: Family Interest	Total	Approximate percentage of total number of issued shares
Executive Director					
Mr. Hu Bo	2,210,000	–	–	2,210,000	0.21%

Save as disclosed above, as at 30 June 2026, none of the Directors or the chief executive of the Company or any of their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations.

SHARE OPTIONS

The Company operates a share option scheme adopted by the Company on 30 June 2021 (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

During the six months ended 30 June 2026, no share options under the Scheme were granted, exercised, expired, lapsed nor reclassified.

As at 30 June 2026, there was no share option outstanding under the Scheme. The number of options available for grant under the Scheme as of 1 January 2026 and 30 June 2026 was 73,398,887 and 73,398,887 respectively. The number of shares that may be issued in respect of options granted under the Scheme during the six months ended 30 June 2026 divided by the weighted average number of shares of the Company in issue (excluding treasury shares) for the six months ended 30 June 2026 was Nil.

Additional Information

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, there is no person had, or was deemed or taken to have, an interest or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying voting rights to vote in all circumstances at general meeting of any other member of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

USE OF NET PROCEEDS

The proceeds from the listing, after deduction of related issuance expenses are fully utilised.

DIRECTOR'S INTEREST IN COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors, the controlling shareholder of the Company and their respective associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the six months ended 30 June 2026.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2026, the Company had complied with all applicable code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules.

MATERIAL ACQUISITIONS OR DISPOSALS

There was no material acquisitions or disposal of subsidiaries and affiliated companies by the Group for the six months ended 30 June 2026.

Additional Information

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of the Directors, all the Directors confirmed that they complied with the required standards as set out in the Model Code throughout the six months ended 30 June 2026.

EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcements of the Company dated 10 August 2026 and 11 August 2026 in relation to, among others, the disposal of listed securities (the "Announcements"). The Company disposed of an aggregate of 14,000,000 BFB Health Shares to the Purchaser for a consideration of HK$6,300,000 (exclusive of transaction costs) on 20 April 2026 and the Company disposed of 10,090,000 BFB Health Shares to the Purchaser for a consideration of HK$4,944,100 (exclusive of transaction costs) on 10 August 2026 (collectively, the "Disposal"). The Disposal, on an aggregated basis, constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules and was subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements. For the details of the Disposal, please refer to the Announcements.

Saved as disclosed, the Group has no material events after the six months ended 30 June 2026 and up to the date of this report.

CHANGES OF INFORMATION OF DIRECTORS

There was no change in Directors' information that required to be disclosed in accordance with Rule 13.51B(1) of the Listing Rules since the publication of the annual report of the Company for the year ended 31 December 2025 and up to the date of this report.

AUDIT COMMITTEE

The Company has established an audit committee (the "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 six months ended 30 June 2026 and discussed with the management of the Company on auditing, risk management, internal control and financial reporting matters.

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the "Remuneration Committee") with written terms of reference in compliance with the Listing Rules. During the six months ended 30 June 2026, the Remuneration Committee comprises three members, a majority of whom are independent non-executive Directors, namely Mr. Tou Kin Chuen (chairman), Mr. Chan Chi Hung and Mr. Hu Bo. The Remuneration Committee formulates the Company's remuneration policy of Directors and senior management, reviews and determines their remuneration packages and makes recommendations to the Board regarding the remuneration of Directors and senior management.

Additional Information

NOMINATION COMMITTEE

The Company has established a nomination committee (the "Nomination Committee") with written terms of reference in compliance with the Listing Rules. During the six months ended 30 June 2026, the Nomination Committee comprises three members, a majority of whom are independent non-executive Directors, namely Mr. Hu Bo (chairman), Mr. Chan Chi Hung and Mr. Tou Kin Chuen.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems is designed to provide reasonable, but not absolute, assurance of no material misstatement or loss, and to mitigate rather than eliminate risks of failure in the operational systems and achievements of the Group's business objectives. The Board has, engaged an independent internal control review advisor, conducted reviews of the effectiveness of the internal control system of the Group covering the Group's corporate governance, internal control, financial, operational (including information security), as well as risk management function and compliance functions. The Board as the ultimate responsible governing body of the Group monitors compliance with policies and procedures and the effectiveness of internal control structures across the Group and its principal divisions. The Board ensures the internal controls are in place and functioning properly as intended. The Board also considered that significant risks of the Group were managed within the acceptable level and the management will continue to monitor the residual risks and report to the Board on an ongoing basis.

In response to the risk, the management shall implement proper policies and procedures to review the effectiveness of risk management and internal control and remedy any defects of internal control, including conduct evaluation on a regular basis to keep abreast of the related information in a timely manner so as to facilitate the Audit Committee and the Board to evaluate the effectiveness of control and risk management of the Group.

For the six months ended 30 June 2026, the Board and the Audit committee have reviewed and confirmed the effectiveness of the risk management and internal control systems.

The Group has a formal whistle-blowing policy to encourage and guide its staff to raise serious concerns internally in a responsible manner, without fear of retribution. During the Period, the Board has not been informed any complaints or concerns over financial improprieties from staff.

The Group has the inside information policy which sets out guidelines to the Directors and senior management of the Group to ensure inside information of the Group would be disseminated to the public in equal and timely manner in accordance with applicable laws and regulations.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

By order of the Board
Milan Station Holdings Limited
Hu Bo
Executive Director

Hong Kong, 28 August 2026