



AEON Stores (Hong Kong) Co., Limited

永旺(香港)百貨有限公司

2026 Interim Report

Stock Code: 984

GBA Development



Store Network Expansion



AEON's 100th Anniversary of Incorporation



Everything we do, We do for our customers

Pursuing peace, Respecting humans, and Contributing to local communities,
Always with customers as our starting point



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. NAGASHIMA Takenori (*Managing Director*)
Mr. HISANAGA Shinya

Non-executive Directors

Mr. KONNO Tsukasa (*Chairman*)
Mr. WEI Aiguo
Mr. YOKOCHI Yasutoshi

Independent Non-executive Directors

Mr. MIZUNO Hideto
Ms. SHUM Wing Ting
Ms. WONG Mei Ling

NOMINATION COMMITTEE

Mr. KONNO Tsukasa (*Chairman*)
Mr. MIZUNO Hideto
Ms. SHUM Wing Ting
Ms. WONG Mei Ling

REMUNERATION COMMITTEE

Ms. SHUM Wing Ting (*Chairlady*)
Mr. KONNO Tsukasa
Mr. MIZUNO Hideto
Ms. WONG Mei Ling

AUDIT COMMITTEE

Ms. WONG Mei Ling (*Chairlady*)
Mr. KONNO Tsukasa
Mr. MIZUNO Hideto
Ms. SHUM Wing Ting

COMPANY SECRETARY

Mr. CHAN Kwong Leung Eric

AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor
registered in accordance with the Accounting and
Financial Reporting Council Ordinance

PRINCIPAL BANKERS

Mizuho Bank, Ltd.
MUFG Bank, Ltd.
Sumitomo Mitsui Banking Corporation
Standard Chartered Bank (Hong Kong) Limited
The Hong Kong and Shanghai Banking Corporation Limited

SHARE REGISTRAR

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

REGISTERED OFFICE

G-4 Floor, Kornhill Plaza (South)
2 Kornhill Road, Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 07-11, 26/F, CDW Building
388 Castle Peak Road, Tsuen Wan
New Territories, Hong Kong
Tel: (852) 2565 3600
Fax: (852) 2563 8654

STOCK CODE

984

WEBSITE

www.aeonstores.com.hk

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	Six months ended 30 June	
		2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Revenue	3	3,859,506	3,930,714
Other income	4	226,883	218,487
Investment income		2,040	5,432
Interest income from rental deposits		6,840	6,032
Purchase of goods and changes in inventories		(2,812,156)	(2,829,827)
Staff costs		(474,479)	(417,893)
Depreciation of investment properties		(36,382)	(36,429)
Depreciation of property, plant and equipment		(69,415)	(70,791)
Depreciation of right-of-use assets		(306,808)	(334,687)
Leases expenses		(46,548)	(30,309)
Other expenses	6	(521,076)	(525,889)
Pre-operating expenses		(1,082)	(5,606)
Other gains and losses	5	5,323	(21,866)
Finance costs		(9,760)	(2,987)
Interest on lease liabilities		(93,872)	(110,010)
Loss before tax		(270,986)	(225,629)
Income tax expense	7	(3,536)	(743)
Loss for the period	8	(274,522)	(226,372)
Loss for the period attributable to:			
Owners of the Company		(239,003)	(217,394)
Non-controlling interest		(35,519)	(8,978)
		(274,522)	(226,372)
Loss per share (basic and diluted)	10	(91.92) HK cents	(83.61) HK cents

The notes on pages 9 to 19 form part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the period	(274,522)	(226,372)
Other comprehensive income		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value gain on investments in equity instruments measured at fair value through other comprehensive income ("FVTOCI")	967	3,128
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of operations outside Hong Kong	(16,772)	(1,940)
Other comprehensive income for the period, net of income tax	(15,805)	1,188
Total comprehensive income for the period	(290,327)	(225,184)
Total comprehensive income for the period attributable to:		
Owners of the Company	(257,501)	(216,932)
Non-controlling interest	(32,826)	(8,252)
	(290,327)	(225,184)

The notes on pages 9 to 19 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2026

	Notes	30 June 2026 HK\$'000 (unaudited)	31 December 2025 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	11	437,501	453,930
Right-of-use assets	11	2,124,992	2,284,677
Investment properties	11	345,245	356,886
Equity instruments at FVTOCI	12	6,787	5,819
Time deposits	16	–	2,960
Pledged bank deposits	13	32,735	30,585
Deferred tax assets		18,933	19,301
Rental and related deposits	14	195,687	198,257
		3,161,880	3,352,415
Current assets			
Inventories		738,852	773,021
Receivables, prepayments and deposits	14	201,566	151,778
Amounts due from fellow subsidiaries	15	18,334	10,937
Time deposits	16	218,759	208,304
Pledged bank deposits	13	9,197	12,645
Bank balances and cash		401,361	400,541
		1,588,069	1,557,226
Current liabilities			
Trade payables	17	1,108,370	1,027,884
Other payables, accrued charges and other liabilities	17	583,982	585,772
Lease liabilities		677,753	682,901
Contract liabilities	17	351,808	352,458
Dividend payable		201	201
Amount due to ultimate holding company	15	39,634	26,415
Loan from ultimate holding company	15	787,471	416,357
Amounts due to fellow subsidiaries	15	34,427	25,154
Tax payable		196	188
		3,583,842	3,117,330
Net current liabilities		(1,995,773)	(1,560,104)
Total assets less current liabilities		1,166,107	1,792,311

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2026

	Notes	30 June 2026 HK\$'000 (unaudited)	31 December 2025 HK\$'000 (audited)
Non-current liabilities			
Rental deposits received and other liabilities	17	117,348	116,619
Lease liabilities		2,299,860	2,461,577
		2,417,208	2,578,196
Net liabilities		(1,251,101)	(785,885)
Capital and reserves			
Share capital		115,158	115,158
Reserves		(1,366,259)	(971,535)
Deficit attributable to owners of the Company		(1,251,101)	(856,377)
Non-controlling interest	18	–	70,492
Total deficit		(1,251,101)	(785,885)

The notes on pages 9 to 19 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to owners of the Company							
	Share capital	Investment revaluation reserve	Translation reserve	People's Republic of China (the "PRC") statutory reserves	Non-distributable reserve	Accumulated loss	Sub-total	Non-controlling interest
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 31 December 2024 (audited)	115,158	11,104	51,368	5,768	134,535	(847,518)	(529,585)	98,844
Loss for the period	-	-	-	-	-	(217,394)	(217,394)	(8,978)
Other comprehensive income for the period	-	3,128	(2,666)	-	-	-	462	726
Total comprehensive income for the period	-	3,128	(2,666)	-	-	(217,394)	(216,932)	(8,252)
At 30 June 2025 (unaudited)	115,158	14,232	48,702	5,768	134,535	(1,064,912)	(746,517)	90,592
Loss for the period	-	-	-	-	-	(106,957)	(106,957)	(20,725)
Other comprehensive income for the period	-	103	(3,006)	-	-	-	(2,903)	625
Total comprehensive income for the period	-	103	(3,006)	-	-	(106,957)	(109,860)	(20,100)
Transfer of reserves	-	(9,179)	-	-	-	9,179	-	-
At 31 December 2025 (audited)	115,158	5,156	45,696	5,768	134,535	(1,162,690)	(856,377)	70,492

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to owners of the Company									
	Share capital	Investment revaluation reserve	Translation reserve	Capital reserve	PRC statutory reserve	Non-distributable reserve	Accumulated loss	Sub-total	Non-controlling interest	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 31 December 2025 (audited)	115,158	5,156	45,696	-	5,768	134,535	(1,162,690)	(856,377)	70,492	(785,885)
Loss for the period	-	-	-	-	-	-	(239,003)	(239,003)	(35,519)	(274,522)
Other comprehensive income for the period	-	967	(19,465)	-	-	-	-	(18,498)	2,693	(15,805)
Total comprehensive income for the period	-	967	(19,465)	-	-	-	(239,003)	(257,501)	(32,826)	(290,327)
Acquisition of non-controlling interest of a subsidiary (Note 18)	-	-	-	(137,223)	-	-	-	(137,223)	(37,666)	(174,889)
At 30 June 2026 (unaudited)	115,158	6,123	26,231	(137,223)	5,768	134,535	(1,401,693)	(1,251,101)	-	(1,251,101)

PRC statutory reserves are reserves required by the relevant PRC laws applicable to the subsidiaries of the Company in the Chinese Mainland.

Non-distributable reserve is the reserve arising from the capitalisation of retained profits as registered capital of a subsidiary in the Chinese Mainland.

The notes on pages 9 to 19 form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Operating activities		
Operating cash flows before movements in working capital	222,518	334,725
Decrease in inventories	49,260	68,438
Increase in receivables, prepayments and deposits	(29,640)	(30,329)
(Increase)/decrease in amounts due from fellow subsidiaries	(2,623)	1,800
Increase in trade payables	58,998	51,182
Decrease in other payables, accrued charges and other liabilities	(9,874)	(4,627)
Decrease in contract liabilities	(14,356)	(19,450)
Increase in amount due to ultimate holding company	13,220	8,222
(Decrease)/increase in amounts due to fellow subsidiaries	(7,256)	2,802
Cash generated from operations	280,247	412,763
PRC income taxes paid	(2,319)	(89)
Interest on bank deposits and time deposits received	2,104	5,198
Net cash generated from operating activities	280,032	417,872
Investing activities		
Dividends from equity instruments at FVTOCI	4	4
Purchase of property, plant and equipment	(41,560)	(73,210)
Proceeds from disposal of property, plant and equipment	6	31
Net receipt for rental deposits	5,969	3,507
Payment for right-of-use assets	(2,148)	(560)
Placement of time deposits	(405,248)	(311,313)
Withdrawal of time deposits	407,178	314,846
Placement of pledged bank deposits	(1,794)	(2,947)
Withdrawal of pledged bank deposits	4,858	5,616
Net cash used in investing activities	(32,735)	(64,026)
Financing activities		
Interest paid	(9,760)	(2,987)
Proceeds from new loan from ultimate holding company	380,798	127,176
Payment for acquisition of non-controlling interest	(174,889)	—
Interest on lease liabilities	(93,872)	(110,010)
Repayments of lease liabilities	(364,071)	(387,997)
Net cash used in financing activities	(261,794)	(373,818)
Net decrease in cash and cash equivalents	(14,497)	(19,972)
Cash and cash equivalents at 1 January	400,541	515,277
Effect of foreign exchange rate changes	15,317	3,502
Cash and cash equivalents at 30 June, represented by bank balances and cash	401,361	498,807

The notes on pages 9 to 19 form part of these financial statements.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1 BASIS OF PREPARATION

The interim financial report has been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect that application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the AEON Stores (Hong Kong) Co., Limited (“the Company”) and its subsidiaries (“the Group”) since the 2025 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The financial information relating to the year ended 31 December 2025 that is included in the interim financial report 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 is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 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.

The Company’s auditor has reported on those consolidated financial statements. The auditor report included a reference to material uncertainty related to going concern to which the auditor drew attention without qualifying its report; the auditor’s report was unqualified and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

During the six months ended 30 June 2026, the Group incurred a loss for the period of HK\$274,522,000 and net cash outflow in respect of operating activities and lease liabilities of HK\$177,911,000. As at 30 June 2026, the Group has net current liabilities of HK\$1,995,773,000.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration of the liquidity requirements for the Group’s operations and reviewed the Group’s cash flow projections prepared by management which covers at least twelve months from 30 June 2026. Management’s cash flow projections include assumptions with regards to the anticipated cash flows generated from and used in the Group’s operations and related capital expenditures and continued financial support from its immediate and ultimate holding company, AEON Co., Ltd., including but not limited to the extension of the repayment of inter-company loan amounting to HK\$787,471,000 and the additional sufficient financial resources to enable the Group to continue its operations and to meet its liabilities as and when they fall due.

The directors, after due consideration of the Group’s liquidity requirements and based on the cash flows projections and a continued financial support from the Group’s ultimate holding company, are of the opinion that the Group is able to meet its financial obligations as and when they fall due in the coming twelve months from 30 June 2026 and accordingly it is appropriate to prepare the Group’s consolidated financial statements on a going concern basis. Should the Group not be able to continue operate as a going concern, and adjustments would have to be made to the consolidated financial statements to adjust the value of the Group’s assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effect of these adjustments had not been reflected on these consolidated financial statements.

2 CHANGES IN ACCOUNTING POLICIES

The interim financial report has been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the interim financial report for the six months ended 30 June 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

Application of amendments to HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA to this unaudited interim financial information for the current accounting period:

Amendment to HKFRS 9 and HKFRS 7 *Financial instruments and Financial instruments: disclosures - Contracts referencing nature-dependent electricity*

Amendment to HKFRS 9 and HKFRS 7 *Financial instruments and Financial instruments: disclosures - Amendments to the classification and measurement of financial instruments*

Annual improvements to HKFRS Accounting Standards - Volume 11

The amendments do not have a material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in the interim financial report.

3 REVENUE AND SEGMENT INFORMATION

Revenue represents the invoiced value of goods, net of discounts, sold to customers, and income from concessionaire sales during the period. Revenue is recognised at a point in time when the customer obtains control of the goods.

Information reported to the Group's chief operating decision makers (i.e. the executive directors) for the purposes of resource allocation and assessment of performance is focused on the retail stores of the Group located in different locations. The reportable segments represented the aggregate of operating segments with similar economic characteristics. The chief operating decision makers identify Hong Kong and Chinese Mainland as the two reportable segments.

Disaggregation of revenue from contracts with customers

	Six months ended 30 June 2026 (unaudited)		
	Hong Kong HK\$'000	Chinese Mainland HK\$'000	Total HK\$'000
Direct sales	1,656,089	1,997,516	3,653,605
Income from concessionaire sales	117,883	88,018	205,901
	1,773,972	2,085,534	3,859,506
	Six months ended 30 June 2025 (unaudited)		
	Hong Kong HK\$'000	Chinese Mainland HK\$'000	Total HK\$'000
Direct sales	1,663,378	2,044,964	3,708,342
Income from concessionaire sales	120,750	101,622	222,372
	1,784,128	2,146,586	3,930,714

3 REVENUE AND SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by reportable segments:

For the six months ended 30 June 2026 (unaudited)				
	Hong Kong HK\$'000	Chinese Mainland HK\$'000	Elimination HK\$'000	Total HK\$'000
Segment revenue - external	1,773,972	2,085,534	–	3,859,506
Inter-segment sales	–	–	–	–
	1,773,972	2,085,534	–	3,859,506
Segment loss	(117,246)	(146,020)	–	(263,266)
Investment income				2,040
Finance costs				(9,760)
Loss before tax				(270,986)

For the six months ended 30 June 2025 (unaudited)				
	Hong Kong HK\$'000	Chinese Mainland HK\$'000	Elimination HK\$'000	Total HK\$'000
Segment revenue - external	1,784,128	2,146,586	–	3,930,714
Inter-segment sales	–	4,611	(4,611)	–
	1,784,128	2,151,197	(4,611)	3,930,714
Segment loss	(162,024)	(66,050)	–	(228,074)
Investment income				5,432
Finance costs				(2,987)
Loss before tax				(225,629)

Segment loss represents the loss incurred by each segment without allocation of investment income and finance costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

4 OTHER INCOME

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Rental income from investment properties	148,745	155,300
Government grant	102	360
Management fee and other income from lessees	32,745	32,635
Revenue from scrap sales	1,351	1,355
Platform collaboration income	21,745	16,861
Others	22,195	11,976
	226,883	218,487

5 OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Exchange gain/(loss), net	15,116	(21,089)
Loss on disposal/write-off of property, plant and equipment	(567)	(777)
Loss on early termination of right-of-use assets	(9,226)	–
	5,323	(21,866)

6 OTHER EXPENSES

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Advertising, promotion and selling expenses	148,393	148,583
Maintenance, repair and building management fees	172,070	181,956
Administrative expenses	116,861	114,171
Utilities expenses	68,843	66,346
Others	14,909	14,833
	521,076	525,889

7 INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
The charge comprises:		
Current tax		
PRC withholding tax	2,320	89
Deferred tax	1,216	654
Income tax expense for the period	3,536	743

No provision for Hong Kong Profits Tax is made for the six months ended 30 June 2026 and 30 June 2025 since the Company incorporated in Hong Kong sustained losses for tax purpose.

No provision for PRC Enterprise Income Tax is made for the six months ended 30 June 2026 and 30 June 2025 since the subsidiaries incorporated in Chinese Mainland have sustained losses for tax purpose or the tax losses brought forward exceed the estimated assessable profits. Under the Law of PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of Chinese Mainland subsidiaries is 25% from 1 January 2008 onwards.

Deferred tax for both periods arose from temporary differences arising from tax depreciation, provision for staff costs and other expenses, undistributed profits of subsidiaries and tax losses.

8 LOSS FOR THE PERIOD

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging:		
Cost of inventories recognised as an expense	2,812,156	2,829,827
Write-back of inventories		
(included in purchase of goods and changes in inventories)	–	(42)

9 DIVIDEND

No dividend was paid or proposed for ordinary Shareholders during the six months ended 30 June 2026 and 2025, nor has any dividend proposed after the reporting period.

10 LOSS PER SHARE

The calculation of basic loss per share attributable to the owners of the Company is based on the Group's loss for the period attributable to the owners of the Company of HK\$239,003,000 (six months ended 30 June 2025: loss of HK\$217,394,000) and on 260,000,000 (six months ended 30 June 2025: 260,000,000) ordinary shares in issue during the period.

No diluted loss per share has been presented as there are no potential dilutive shares outstanding for both periods.

11 MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTIES

During the current interim period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of HK\$582,000 (six months ended 30 June 2025: HK\$808,000), resulting in a loss on disposal of HK\$567,000 (six months ended 30 June 2025: HK\$777,000).

During the current interim period, the Group acquired property, plant and equipment of approximately HK\$39,734,000 (six months ended 30 June 2025: HK\$68,982,000) to expand its operations.

During the current interim period, the Group entered into several new lease agreements and lease modifications for its stores of which the lease terms ranges from 3 to 12 years. The Group is required to make fixed monthly payments. During the current period, the Group recognised additional HK\$101,416,000 (six months ended 30 June 2025: HK\$170,006,000) of right-of-use assets and HK\$98,765,000 (six months ended 30 June 2025: HK\$172,271,000) of lease liabilities.

As at 30 June 2026, the investment properties represent the right-of-use assets under sub-leases in which the Group acts as an intermediate lessor.

Impairment assessment

Certain stores of the Group have been experiencing recurring losses or performing below budget. The management considered there were impairment indicators and hence conducted impairment assessment on the relevant stores, which each store constitutes an individual cash-generating unit ("CGU") for the purpose of impairment assessment. The recoverable amounts of the cash-generating units have been determined based on the higher of fair value less cost of disposal and value in use of the individual stores to which the relevant assets belong.

For the cash-generating units which the recoverable amount was based on value in use, the calculations use cash flow projections based on the latest financial budgets approved by the Company's management covering the unexpired lease terms of the relevant stores with a pre-tax discount rate of 8.42% to 10.10% (31 December 2025: 8.42% to 10.10%). Cash flow projections during the budget period were based on the projected revenue and expected gross margins and the budgeted revenue growths, and the margins have been determined based on past performances and management's expectations for the future changes in the market.

For the cash-generating units which the recoverable amount was based on fair value less costs of disposal, the fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used.

The fair value was determined based on the income approach, where the market rentals of all lettable units of the right-of-use assets included in the cash-generating units are assessed and discounted at the market yield of a range of 4.6% - 6.0% (31 December 2025: 4.6% - 6.0%) expected by investors for this type of assets. The market rentals are assessed by reference to the rentals achieved in the lettable units of the assets as well as other lettings of similar properties in the neighbourhood. The discount rate is determined by reference to the yields derived from analysing the sales transactions of similar retail stores in Hong Kong and Chinese Mainland and adjusted to take into account the market expectation from property investors to reflect factors specific to the Group's cash-generating units.

Based on the result of the assessment, no impairment loss for the six months ended 30 June 2025 and 2026 has been recognised against the carrying amounts of property, plant and equipment, and right-of-use assets respectively.

12 EQUITY INSTRUMENTS AT FVTOCI

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

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

	Level 1	
	30 June 2026	31 December 2025
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Recurring fair value measurements		
Equity instruments at FVTOCI		
Listed equity securities	6,787	5,819

The listed shares in Hong Kong mainly represents an investment in a fellow subsidiary of HK\$6,644,000 (31 December 2025: HK\$5,680,000).

There were no transfers between levels during the period.

The directors consider that the carrying amounts of the Group's other financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2025 and 30 June 2026.

13 PLEDGED BANK DEPOSITS

	30 June 2026		31 December 2025	
	Non-current	Current	Non-current	Current
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(audited)	(audited)
Bank deposits were pledged for the following purpose:				
As guarantee to landlords for rental deposits	32,735	1,724	30,585	5,493
As requirement by the relevant Chinese Mainland regulatory body for cash received from prepaid value cards sold	–	7,473	–	7,152
	32,735	9,197	30,585	12,645

14 RECEIVABLES, PREPAYMENTS AND DEPOSITS

The Group's accounts receivable arise from retail sales transactions settled by credit cards or other electronic payment methods. The average settlement period for the proceeds receivable from those credit cards and other electronic payments service providers is 10 days. Based on the ageing of accounts receivable as determined based on invoice date, HK\$24,344,000 (31 December 2025: HK\$25,933,000) is due within 30 days. There are no significant overdue balances of those accounts receivable at the end of reporting period and no default is expected.

The following is an analysis of receivables, prepayments and deposits:

	30 June 2026 HK\$'000 (unaudited)	31 December 2025 HK\$'000 (audited)
Accounts receivable	24,346	25,939
Rental and related deposits	239,968	246,614
Other receivables, prepayments and other deposits	132,939	77,482
	397,253	350,035
Less: Rental and related deposits under non-current assets	(195,687)	(198,257)
Other receivables, prepayments and deposits	201,566	151,778

15 BALANCES WITH FELLOW SUBSIDIARIES AND ULTIMATE HOLDING COMPANY**(i) The amounts due from/to fellow subsidiaries and ultimate holding company**

The amounts due from fellow subsidiaries are trade-related, unsecured, interest free and with credit term of 60 to 90 days (31 December 2025: 60 to 90 days). The amounts are aged within 35 days based on the invoice date and not yet due at the end of both reporting periods.

The amounts due to fellow subsidiaries and ultimate holding company are trade-related, unsecured, interest free and with credit term of 60 to 90 days (31 December 2025: 60 to 90 days). The amounts are aged within 60 days based on the invoice date at the end of both reporting periods.

(ii) Loans from ultimate holding company

The loans from the ultimate holding company bear interest ranges from 2.50% to 3.53% per annum, are unsecured and repayable on 28 February 2027.

16 TIME DEPOSITS

As at 30 June 2026, time deposits represent time deposits denominated in Renminbi ("RMB") amounting to HK\$218,759,000 with an original maturity for more than three months. The average effective interest rates of those time deposits denominated in RMB is 2.75% per annum, respectively. The deposits will mature within one year from the end of the reporting period.

As at 31 December 2025, time deposits represent deposits denominated in RMB amounting to HK\$211,264,000, with an original maturity for more than three months. The average effective interest rate of those time deposits denominated in RMB is 1.75% per annum. The deposits will mature within one year from the end of the reporting period except for the time deposits of HK\$2,960,000 which will mature after one year from the end of reporting period.

17 TRADE PAYABLES, OTHER PAYABLES, ACCRUED CHARGES AND OTHER LIABILITIES AND CONTRACT LIABILITIES

The following is an ageing analysis of trade payables presented based on the invoice date at the end of reporting period and an analysis of other payables, accrued charges and other liabilities:

	30 June 2026 HK\$'000 (unaudited)	31 December 2025 HK\$'000 (audited)
Within 60 days	989,477	876,726
61 to 90 days	35,862	55,066
Over 90 days	83,031	96,092
Trade payables	1,108,370	1,027,884
Accrued expenses and other liabilities	359,868	337,112
Accrued staff costs	143,412	159,906
Value added tax payables for advance receipts on prepaid store-value cards	3,083	3,325
Payables for purchase of property, plant and equipment	8,671	8,737
Provision for reinstatement	96,422	97,743
Rental deposits received	89,874	95,568
	701,330	702,391
Less: Rental deposits received and other liabilities under non-current liabilities	(117,348)	(116,619)
Other payables, accrued charges and other liabilities	583,982	585,772

The following is the analysis of contract liabilities:

	30 June 2026 HK\$'000 (unaudited)	31 December 2025 HK\$'000 (audited)
Advance receipts on prepaid store-value cards	324,534	329,213
Deferred revenue on customer loyalty points	27,274	23,245
	351,808	352,458

18 ACQUISITION OF NON-CONTROLLING INTEREST OF A SUBSIDIARY

During the six months ended 30 June 2026, the Group entered into an equity transfer agreement with the non-controlling interest shareholder of a subsidiary, pursuant to which the Group agreed to acquire 35% equity interests of AEON (Guangdong) Co., Ltd. for the consideration of HK\$174,889,000. The acquisition has been completed on 24 June 2026. Upon completion of the acquisition, AEON (Guangdong) Co., Ltd. is a wholly-owned subsidiary of the Group.

19 CAPITAL COMMITMENTS

	30 June 2026 HK\$'000 (unaudited)	31 December 2025 HK\$'000 (audited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	28,306	11,772

20 RELATED PARTY TRANSACTIONS

During the current interim period, the Group entered into the following transactions with related parties:

Relationship	Nature of transaction	Six months ended 30 June	
		2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Fellow subsidiaries	Commission paid for credit facilities provided to the customers	11,198	11,104
	Franchise fee	168	169
	Trademark fee	4,613	5,186
	Other income	1,940	1,646
	Purchase of goods and property, plant and equipment	22,359	17,563
	Interest on lease liabilities	6,490	6,573
	Repayment of lease liabilities	7,699	7,971
	Management fees and utilities expenses	9,858	9,292
	Rental income	11,736	11,684
	Sales of coupons	9,624	10,459
	Service fee expense	75,266	67,615
Ultimate holding company	Royalty expenses	11,178	9,812
	Interest expenses	9,760	2,987
Non-controlling shareholder of the subsidiary*	Repayments of lease liabilities	5,507	24,186
	Interest on lease liabilities	1,701	333
	Management fees and utilities expenses	2,889	6,013
Directors and key management	Remuneration	2,268	1,878

* Following the acquisition of the non-controlling interest of the subsidiary (see note 18), the non-controlling shareholder ceased to be a related party of the Group on 24 June 2026.

20 RELATED PARTY TRANSACTIONS (Continued)

Outstanding balances as at the end of reporting periods arising from the above transactions with related parties were as set out in the interim report except for the following balances:

	30 June 2026 HK\$'000 (unaudited)	31 December 2025 HK\$'000 (audited)
Amounts due from fellow subsidiaries (included in other receivables, prepayments and deposits)	2,090	2,360
Amounts due to fellow subsidiaries (included in lease liabilities)	235,216	232,608
Amount due from a non-controlling shareholder of the subsidiary (included in other receivables, prepayments and deposits) (note)	–	3,751
Amount due to a non-controlling shareholder of the subsidiary (included in lease liabilities) (note)	–	96,238

Note: As at 30 June 2026, outstanding balances with the former non-controlling shareholder (see note 18) arising from the provision of rental services amounted to HK\$98,088,000. Such transactions are on normal commercial terms.

21 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Company has drawn down a loan from AEON Co., Ltd, its ultimate holding company, amounting to HK\$57,228,000 in July 2026. The shareholder loan is unsecured and is repayable on 28 February 2027.

BUSINESS REVIEW

In the first half of 2026, the global economy maintained moderate growth amid geopolitical developments, changes in the trade environment and market uncertainties. The Hong Kong economy continued to recover, supported by a stable labor market, improved household income and rising visitor arrivals, with retail sentiment picking up from last year. In the Chinese Mainland, while macroeconomic growth continued, market demand remained weak. Competition in the retail sector further intensified, pricing pressure continued to rise, and the overall operating environment was more challenging than in the same period last year. In response to challenges, including structural changes in Hong Kong's retail market and a weaker-than-expected consumption recovery in the Chinese Mainland, the Group has not relied simply on improving market conditions; instead, it has continued to implement a series of reform initiatives, including merchandise reform, digital transformation and operating structure optimization. During the period, reforms in the Hong Kong operations have begun to deliver results, with improved revenue performance and a significant narrowing of losses. Meanwhile, the performance of the Chinese Mainland operations fell short of management expectations. The Group will face these challenges candidly and accelerate store optimization, merchandise structure reform and cost control, while regarding the enhancement of profitability, cash flow and capital efficiency as key priorities for future development.

HONG KONG OPERATIONS

The Hong Kong economy performed strongly in the first half of 2026. According to advance estimates, real GDP grew by 4.3% year-on-year in the second quarter, following growth of 5.9% in the first quarter. The Government expects the economy to continue growing steadily in the second half of the year. Compared with the same period in 2025, the provisional estimate for Hong Kong's total retail sales value rose by 9.6% in the first half of 2026, indicating that the local retail sector has maintained positive momentum. Although the retail market continued to face structural challenges, including Hong Kong residents traveling outbound and spending up north as well as online shopping, the Group improved the profitability of its Hong Kong operations by focusing on core merchandise categories, increasing the contribution of private brand products, continuously enhancing store operating efficiency, and optimizing its cost structure.

During the period, the Group continued to deepen merchandise reform and strengthen the competitiveness of its private brand products. Sales of private brand merchandise continued to achieve year-on-year growth, with their share of total sales also increasing. In addition to the ongoing development of private brands such as TOPVALU, HÓME CÓORDY, TOPVALU COLLECTION, SELF+SERVICE and ESSEME, the Group has further optimized its merchandise mix and enhanced product differentiation to meet consumers' demand for products that offer high value for money. To celebrate AEON Incorporation 100 Years, the Group launched a major anniversary promotional campaign during the period, attracting customers through various promotional initiatives and special offers. At the same time, the Group continued to organize distinctively themed promotional events, such as the Vietnamese Fair to introduce a wider range of unique overseas products. It also actively launched co-branded products featuring popular IP characters to enhance merchandise appeal and the shopping experience while further strengthening its brand differentiation advantages.

Digital transformation has evolved from a tool solely used for raising efficiency into an important foundation for improving customer experiences and business decision-making. The Group will continue to leverage data analytics to increase the precision of merchandise management, marketing campaigns and membership operations, while further bolstering its online-to-offline integration capabilities. The Group will also enhance operational efficiency and shopping experience by expanding applications such as self-checkout systems, electronic price tags, X-Trolley smart shopping carts and SSE Loss Prevention System. In addition, it continues to enhance the functionality of the AEON APP and its membership platform. During the period, the e-commerce business maintained strong growth, with online sales increasing by 32.3% year-on-year. In particular, sales through AEONCITY rose by 86.4% year-on-year.

In terms of store expansion, the Group continued to focus on the specialty store model, which offers higher profitability. During the period, five new AEON Mono Mono stores were added. At the same time, the Group prudently reviewed its store network and asset allocation, electing to terminate the lease agreement for the Kowloon City store ahead of schedule to further optimize its store portfolio and resource utilization. As for operational management, the Group continued to advance its structural reform plan by optimizing its supply chain and warehousing network, improving logistics efficiency and strengthening cost management to raise overall operational efficiency. It also improved store cost efficiency through measures such as revitalization and renovation, as well as the optimization of leasing arrangements.

BUSINESS REVIEW (Continued)

HONG KONG OPERATIONS (Continued)

In the first half of the year, although the Group's early termination of the lease agreement for the Kowloon City store had a certain negative impact on revenue, the profitability of the Group's Hong Kong operations continued to improve, with revenue only slightly down by 0.6% to HK\$1,774.0 million (2025 1st Half: HK\$1,784.1 million). Driven mainly by greater operational efficiency and an improved cost structure, loss from the Hong Kong operations narrowed by 27.7% to HK\$117.2 million (2025 1st Half: loss of HK\$162.0 million).

CHINESE MAINLAND OPERATIONS

The Chinese Mainland's GDP expanded by 4.3% year-on-year in the second quarter of 2026, representing a 0.7 percentage point slowdown from the growth rate achieved in the first quarter. In the first half of the year, GDP grew by 4.7% year-on-year. During the same period, Guangdong Province's GDP grew by 4.5% compared with the same period last year to RMB7,228.1 billion; the total retail sales of consumer goods in the province also increased by 1.3% year-on-year. Although the Guangdong economy remained resilient, the retail sector faced pressure from a combination of factors, including adjustments in the real estate market, concerns over employment and income prospects, and intensifying price competition, which made consumers more cautious overall.

The Group believes that the performance of the Chinese Mainland operations during the period fell short of management's expectations, and that changes in market competition and the consumption environment posed clear challenges to operations. In response to operating pressures, the Group will accelerate store optimization, merchandise structure reform and cost control in a more candid and pragmatic manner, while continuing to review its store network, merchandise and merchant mix, and operating costs to improve resource allocation and operational quality. During the period, the Group acquired the remaining 35% equity interest in Guangdong AEON Teem Co., Ltd. ("AEON Guangdong") from Teemall Department Stores to strengthen resource integration across its Chinese Mainland operations. At the same time, the Group continued to review store performance and enhance its network in response to market changes. As a result, AEON Zhuhai Yangming Plaza Store ceased operations during the period upon the expiry of its lease agreement. The Group will continue to advance product mix reforms, store network restructuring, supply chain optimization and cost structure improvement to lay the foundation for a return to profitability.

Revenue from the Chinese Mainland operations decreased by 2.8% to HK\$2,085.5 million in the first half of the year (2025 1st Half: HK\$2,146.6 million), with a loss incurred amounting to HK\$146.0 million (2025 1st Half: loss of HK\$66.1 million).

PROSPECTS

HONG KONG OPERATIONS

Looking ahead to the second half of the year, the Group remains cautiously optimistic about the Hong Kong market. Although structural challenges such as northbound consumption and cross-border e-commerce are expected to persist, the Group believes that by continuing to advance its product differentiation strategy, deepen member engagement and accelerate digital transformation, it will remain capable of achieving revenue growth and improving profitability. We will continue to adhere to a customer-centric approach and drive development through reform to further enhance the Company's long-term competitiveness.

In terms of sales, the Group will continue to expand its e-commerce business, deepen the integrated online-and-offline development model, and continue to improve AEON APP, AEONCITY, and its self-pickup and delivery services to enhance shopping convenience and customer engagement. At the same time, the Group will leverage the AEON Incorporation 100 Years to launch a range of marketing initiatives, including large-scale themed promotional campaigns, member-exclusive promotions and merchandise featuring popular IP collaborations. These initiatives will attract customers across different age groups and consumer segments, further driving customer traffic and sales.

As for product strategy and profitability, the Group will continue to increase the market penetration of its private brand products and further expand the product portfolio of TOPVALU and other core private brands. Concurrently, the Group will actively expand its direct import business. By strengthening its global sourcing capabilities and optimizing procurement processes, the Group will enhance product differentiation and procurement efficiency, thereby further improving the gross margins of products and overall profitability.

PROSPECTS (Continued)

HONG KONG OPERATIONS (Continued)

In addition, the Group will continue to implement its “differentiation + high-return” development strategy, actively expand its specialty stores, and plans to open five new AEON Mono Mono stores in the second half of the year. Regarding the leasing business, the Group will actively enhance tenant acquisition efficiency and optimize its tenant mix to increase stable, recurring non-retail income streams.

In terms of cost management and operational efficiency, the Group will further advance its operational reform measures. In logistics, it will optimize its distribution network and warehouse operating model to boost logistics efficiency and reduce related costs. In administration, the Group will enhance operational efficiency through digital transformation, workflow optimization and organizational restructuring, while further reforming store back-end operations. In addition, the Group will continue to bolster expense controls to optimize its cost structure.

Concerning digital transformation, the Group will continue to promote the application of digital and intelligent technologies in store operations to enhance operational efficiency and improve the customer experience. Meanwhile, the Group will join the upgraded AEON Bonus Point Program launched by AEON Credit Service (Asia) Company Limited, with the two parties working together to build the AEON ecosystem and further strengthen synergies between retail and financial services. This initiative is not only an integration of membership systems, but also a significant milestone in the Group’s development of a unified customer ecosystem. By integrating member resources and consumption data across its various business segments, the Group will be better positioned to understand customer needs, enhance personalized marketing capabilities and increase customer lifetime value, thereby establishing a more competitive omnichannel retail model and laying a more solid foundation for future sustainable growth.

CHINESE MAINLAND OPERATIONS

The global geopolitical landscape is expected to remain complex in the second half of the year, with uncertainties regarding international trade barriers and tariffs persisting, along with variables affecting external supply chains and the macroeconomic environment. Against the backdrop of continued policy support in China to boost domestic demand and stimulate consumption, the retail market is poised for gradual improvement. We therefore believe that the retail market in the Chinese Mainland is entering a new phase of structural adjustment.

As the Group proceeds with acquiring the remaining equity interest in AEON Guangdong in the first half of the year to achieve full ownership, it will further integrate its operations in South China and Guangdong to boost operational efficiency and economies of scale. Building on this, the Group plans to open three AEON Supermarkets in the GBA, including Zhuhai, Foshan and Guangzhou, to improve its retail network coverage in key regions. Also, the Group will continue to optimize its product and merchant mix, strengthen leasing management, increase tenant revenue and reduce vacancy rates. At the same time, it will make every effort to enhance operational performance by increasing the proportion of private brand products, strengthening product differentiation and deepening cost control.

The Group remains customer-centric and proactively advances merchandise structure reform, expansion of private brands, supply chain optimization, digital transformation, store network restructuring and cost structure improvement, so as to enhance business resilience and adaptability to market changes. Going forward, the Group will continue to receive support from AEON Co., Ltd. and actively advance capital structure and liquidity management to enhance financial stability and support future development. The Group will no longer pursue scale growth alone, but will place greater emphasis on profitability, cash flow and capital efficiency, with the enhancement of long-term corporate value as its core objective, striving to create sustainable value for shareholders, customers, employees and other stakeholders.

GROUP

Under the 2026 investment plan, the Group’s total capital expenditure on new store openings, store renovations, and information technology system upgrades in the second half of the year is estimated to be approximately HK\$64.1 million.

Save as mentioned above or otherwise disclosed, there have been no material events affecting the Group’s business from 30 June 2026 up to the date of authorization for the release of these consolidated financial statements.

FINANCIAL REVIEW

In the first half of the year 2026, the Group's revenue decreased by 1.8% year-on-year to HK\$3,859.5 million (2025: HK\$3,930.7 million). Gross profit margin dropped by 0.9 percentage points to 27.1% (2025: 28.0%).

As for other income, income derived from sub-leases and other income increased by HK\$8.7 million (2025: decreased by HK\$16.9 million) contributed by the increase of platform collaboration income and others in the period. Other income resulted in an overall increase by 3.8% as compared with last period.

For operating expenses during the period under review, the Group's staff cost increased by 13.5% and its ratio to revenue increased to 12.3% (2025: 10.6%). Expenses related to leases decreased by 5.4% and the ratio of expenses to revenue decreased to 12.5% (2025: 13.0%). Other operating expenses, including advertising, promotion and selling expenses, maintenance and repair expenses (including building management fee), utility expenses, administrative expenses and other expenses, decreased by 0.9% in the first half of 2026 compared to the same period in 2025 and the ratio of other operating expenses to revenue was 13.5% (2025: 13.4%).

Included in other gains and losses, amongst others, was exchange gain of HK\$15.1 million (2025: exchange loss of HK\$21.1 million). No impairment loss for the six months ended 30 June 2026 and 2025 has been recognised against the carrying amounts of property, plant and equipment, and right-of-use assets respectively

Due to the above changes, loss attributable to owners of the Company for the period under review was HK\$239.0 million (2025: loss of HK\$217.4 million), representing an increase of loss of HK\$21.6 million.

The Group's adjusted EBITDA¹ for the period was loss HK\$226.9 million (2025: loss HK\$158.3 million), loss increased by HK\$68.6 million.

The Board has reviewed the dividend policy taking into account the following factors of the Company including its financial results, cash flow status, business conditions and strategies, future operations and revenue, capital requirements and expenditure plans, interests of shareholders, any restrictions on distribution of dividends and any other factors that it may consider relevant and has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2026 (2025: HK\$ nil).

During the period, capital expenditure on opening new stores and store renovation in Hong Kong and Chinese Mainland and the upgrade of information technology systems amounted to HK\$40.8 million.

The Group also entered into new lease agreements and lease modifications in the review period and recognized additional HK\$101.4 million (2025: HK\$170.0 million) of right-of-use assets and HK\$98.8 million (2025: HK\$172.3 million) of lease liabilities.

As at 30 June 2026, the Group held cash and bank balances and short-term time deposits amounting to HK\$620.1 million (31 December 2025: HK\$608.8 million) and the gearing ratio (which is calculated on the basis of loan from ultimate holding company divided by total deficit) was -62.94% (31 December 2025: -52.98%).

As at 30 June 2026, deposits of HK\$34.4 million (31 December 2025: HK\$ 36.1 million) were pledged to the bank as guarantees of the rental deposits to landlords. Deposits of HK\$7.5 million (31 December 2025: HK\$7.2 million) were also pledged to regulatory bodies as guarantees for prepaid value cards sold.

FINANCIAL REVIEW (Continued)

The Group's total lease liabilities as at 30 June 2026 amounted to HK\$2,977.6 million (31 December 2025: HK\$3,144.5 million), of which HK\$677.8 million (31 December 2025: HK\$682.9 million) is payable within one year.

As at 30 June 2026, the Group's current liabilities exceeded its current assets by HK\$1,995.8 million (31 December 2025: net current liabilities of HK\$1,560.1 million). The directors considered that the Group has sufficient financial sources available to fund its operations in the foreseeable future and will be able to meet its financial obligations when they fall due.

Note 1 Management considered that the Adjusted EBITDA reflected more properly the Groups' earnings from its operations.

Reconciliation of Adjusted EBITDA	Six months ended	
	30.6.2026 HK\$'000	30.6.2025 HK\$'000
Loss for the period	(274,522)	(226,372)
Adjusting items for EBITDA		
Income tax expenses	3,536	743
Depreciation of investment properties	36,382	36,429
Depreciation of property, plant and equipment	69,415	70,791
Depreciation of rights-of-use assets	306,808	334,687
Interest on lease liabilities	93,872	110,010
Investment income	(2,040)	(5,432)
Interest income from rental deposits	(6,840)	(6,032)
Other gains and losses	(5,323)	21,866
Finance costs	9,760	2,987
Items for adjusted EBITDA		
Repayment of lease liabilities (included in consolidated cash flow statement) *	(364,071)	(387,997)
Interest on lease liabilities*	(93,872)	(110,010)
Rounding	—	5
Adjusted EBITDA	(226,895)	(158,325)

* The total of interest on lease liabilities and repayment of lease liabilities represents the rental payment as stated in the lease agreements. Both items are classified as cash flows under financing activities instead of operating activities.

HUMAN RESOURCES

As at 30 June 2026, the Group had approximately 4,923 full-time and 3,662 part-time employees in Hong Kong and Chinese Mainland. Under the "Everything we do, we do for our customers" credo, and in order to deliver the highest standard of service to all customers, the Group will continue to upgrade the skills and professional knowledge of its employees by providing them with educational and career development opportunities. With a fair human resources system, the Group will create a positive work environment for staff and enhance the communication between on-site staff and the back-end support departments, building a system that facilitates prompt action to address business issues. The Group's ultimate goal is to build AEON into a brand that benefits all customers.

DIRECTORS' INTERESTS IN SHARES

As at 30 June 2026, the interests of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

(A) THE COMPANY

Directors	Number of ordinary shares held as personal interests	Approximate percentage of interests
NAGASHIMA Takenori	12,000	0.00462%
HISANAGA Shinya	30,000	0.01154%

(B) AEON CO., LTD., THE COMPANY'S ULTIMATE HOLDING COMPANY

Directors	Number of ordinary shares held as personal interests (Note)	Approximate percentage of interests
KONNO Tsukasa	10,000	0.00038%
HISANAGA Shinya	6,390	0.00024%

Note: The shareholding information above has been confirmed by the respective Directors.

Other than as disclosed above, as at 30 June 2026, neither the Directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of PART XV of the SFO).

SUBSTANTIAL SHAREHOLDER'S INTERESTS

As at 30 June 2026, shareholders (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or had otherwise notified the Company were as follows:

Substantial shareholder	Long Position Number of ordinary shares held	Approximate percentage of the total number of issued shares
AEON Co., Ltd.	157,536,000 (Note)	60.59%

Note: These shares were held as to 155,760,000 shares by AEON Co., Ltd. and 1,776,000 shares by AEON Credit Service (Asia) Company Limited ("ACS"). ACS is owned by AEON Co., Ltd. as to 294,888,000 shares representing 70.42% of the issued share capital of ACS. AEON Co., Ltd. was deemed to be interested in the 1,776,000 shares owned by ACS.

Other than as disclosed above, the Company has not been notified of any other interests or short positions in the shares or underlying shares of the Company as at 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2026, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 30 June 2026 and up to the date of this report, the Company does not hold any treasury shares.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained sufficient public float during the six months ended 30 June 2026 and up to the date of this report.

CORPORATE GOVERNANCE

The Board has complied throughout the six months ended 30 June 2026 with the code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules.

The Company has adopted the Model Code as the code of conduct regarding securities transactions by Directors. Having made specific enquiries with all Directors, the Company confirmed that they had complied with the required standard set out in the Model Code throughout the six months ended 30 June 2026.

The Audit Committee of the Company has reviewed the unaudited interim results for the six months ended 30 June 2026 with management.

UPDATED INFORMATION OF DIRECTORS

The changes in the information of Directors are set out below pursuant to Rule 13.51B of the Listing Rules:

(A) CHANGE IN DIRECTORSHIP

Director	Details of change
NAGASHIMA Takenori	– Appointed as a non-executive director of AEON Credit Service (Asia) Company Limited, a company listed on the main board of the Stock Exchange (stock code: 900), with effect from 25 June 2026.

(B) CHANGE IN DIRECTORS' EMOLUMENTS

The emoluments of the Directors are determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

The Directors' entitlement to Directors' fees and emoluments (which will be pro-rated according to the period of services in the year of their appointments or as specified for the period of services determined in the Board meeting) for the year ending 31 December 2026 are as follows:

Directors	Emoluments HK\$
NAGASHIMA Takenori	2,163,086
HISANAGA Shinya	1,332,366

By Order of the Board of
AEON Stores (Hong Kong) Co., Limited
KONNO Tsukasa
Chairman

Hong Kong, 27 August 2026