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杉杉品牌運營股份有限公司

Shanshan Brand Management Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1749)

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

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Shanshan Brand Management Co., Ltd. (the “**Company**”) hereby announces the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Year**” or “**FY2025**”), together with the comparative figures for the year ended 31 December 2024 (the “**FY2024**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 RMB	2024 RMB
Revenue	4	862,800,867	1,006,620,320
Cost of sales		(528,313,777)	(627,421,780)
Gross profit		334,487,090	379,198,540
Other revenue		592,530	1,062,271
Other gains and losses, net		3,406,543	(3,100,156)
Selling and distribution expenses		(283,829,485)	(281,841,736)
Administrative expenses		(36,444,106)	(41,919,741)
Impairment loss on property, plant and equipment		(1,127,682)	(765,613)
Impairment loss on right-of-use assets		(245,246)	(1,862,667)
Impairment loss on trade receivables, net		(995,817)	(851,735)
Impairment loss on deposits and other receivables, net		(180,417)	(326,826)
Finance costs		(4,432,795)	(5,634,254)
Share of result of an associate		579,927	547,790
Share of result of a joint venture		–	(20,706)
Profit before income tax	5	11,810,542	44,485,167
Income tax expense	7	(3,914,110)	(11,311,639)
Profit and total comprehensive income for the year attributable to owners of the Company		7,896,432	33,173,528
Earnings per share attributable to the owners of the Company	8	0.06	0.25

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		2025	2024
	<i>Notes</i>	RMB	RMB
Non-current assets			
Property, plant and equipment		141,863,575	67,484,573
Right-of-use assets		62,337,326	59,209,760
Intangible assets		3,162,932	4,888,171
Interest in an associate		7,850,855	7,270,928
Interest in a joint venture		865,214	865,214
Prepayments, deposits and other receivables	<i>10</i>	13,426,631	2,007,608
Pledged deposits		–	2,172,445
Deferred tax assets		21,704,682	20,266,187
		<hr/>	<hr/>
Total non-current assets		251,211,215	164,164,886
		<hr/>	<hr/>
Current assets			
Inventories		222,360,505	278,221,780
Trade and bills receivables	<i>9</i>	176,460,203	239,825,926
Prepayments, deposits and other receivables	<i>10</i>	29,299,462	21,110,891
Financial assets at fair value through profit or loss		487,967	645,910
Amount due from a substantial shareholder		–	624,293
Pledged deposits		2,578,026	8,500,000
Cash and cash equivalents		110,065,336	106,457,075
		<hr/>	<hr/>
Total current assets		541,251,499	655,385,875
		<hr/>	<hr/>

		2025	2024
	<i>Notes</i>	RMB	RMB
Current liabilities			
Trade and bills payables	<i>11</i>	138,899,147	216,080,405
Contract liabilities	<i>12</i>	10,515,313	31,810,323
Other payables and accruals	<i>13</i>	110,170,290	111,411,616
Interest-bearing bank borrowings	<i>14</i>	170,000,000	145,000,000
Amount due to a joint venture		875,000	875,000
Amount due to a substantial shareholder		1,415,094	2,835,849
Income tax payable		226,480	6,116,686
Lease liabilities		16,083,951	11,474,289
		<hr/>	<hr/>
Total current liabilities		448,185,275	525,604,168
		<hr/>	<hr/>
Net current assets		93,066,224	129,781,707
		<hr/>	<hr/>
Total assets less current liabilities		344,277,439	293,946,593
		<hr/>	<hr/>
Non-current liabilities			
Other payables and accruals	<i>13</i>	11,970,000	11,460,000
Interest-bearing bank borrowings	<i>14</i>	52,696,455	–
Lease liabilities		6,110,103	6,210,144
		<hr/>	<hr/>
Total non-current liabilities		70,776,558	17,670,144
		<hr/>	<hr/>
Net assets		273,500,881	276,276,449
		<hr/>	<hr/>
Capital and reserves			
Share capital	<i>15</i>	133,400,000	133,400,000
Reserves		140,100,881	142,876,449
		<hr/>	<hr/>
Total equity		273,500,881	276,276,449
		<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. CORPORATE INFORMATION

Ningbo Shanshan Garment Brand Management Co., Ltd (“**Shanshan Garment Brand**”), the predecessor of the Company, was established as a limited liability company in the People’s Republic of China (the “**PRC**”) on 23 August 2011.

On 18 May 2016, Shanshan Garment Brand was converted into a joint stock company with limited liability and renamed as Shanshan Brand Management Co., Ltd. The Company’s overseas-listed foreign shares (“**H Shares**”) have been listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 27 June 2018.

The address of its registered office and principal place of business is No. 238, Yunlin Middle Road, Wangchun Industrial Park, Ningbo, Zhejiang Province, the PRC.

The Group is principally engaged in the design, marketing and sale of formal and casual business menswear in the PRC.

Particulars of the Company’s principal subsidiaries at 31 December 2025 and 2024 were as follows:

Name of subsidiaries	Date of establishment and type of legal entity	Place of operation and incorporation	Issued and paid-up capital	Proportion of effective equity interests held by the Company				Principal activities
				2025		2024		
				Directly	Indirectly	Directly	Indirectly	
Ningbo Shanshan Fashion Brand Management Co., Ltd	17 June 2009/Limited liability company	The PRC	RMB100 million	100%	N/A	100%	N/A	Investment holding and trademark sub-licensing
Ningbo Shanshan E-commerce Co., Ltd	27 August 2020/Limited liability company	The PRC	RMB10 million	100%	N/A	100%	N/A	Distribution of casual and business menswear through e-commerce
Tengzhou Shanshan Commerce and Trading Co., Ltd.	23 March 2023/Limited liability company	The PRC	RMB0.5 million	100%	N/A	100%	N/A	Distribution of casual and business menswear through retail

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS

(a) Adoption of new/revised HKFRS Accounting Standards

The Hong Kong Institute of Certified Public Accountants (the “HKICPA”) has issued revised HKFRS Accounting Standards that are first effective for the current accounting period of the Group:

Amendments to Hong Kong Accounting Standard (“HKAS”) 21 and Hong Kong Financial Reporting Standard (“HKFRS”) 1 – Lack of Exchangeability

(b) New/revised HKFRS Accounting Standards that have been issued but are not yet effective

The following new/revised HKFRS Accounting Standards, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – Dependent Electricity ¹
HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined by the HKICPA

The Company has already commenced an assessment of the impact of adopting the above new/revised HKFRS Accounting Standards. The Directors preliminarily anticipate that except for HKFRS 18, which is expected to have certain impacts to the presentation and disclosure of the Company’s consolidated financial statements, other new/revised HKFRS Accounting Standards will have no material impact on the Group’s financial performance and positions.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance presented in the statement of profit or loss, which will affect how the Group presents and discloses financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures, and (iii) enhanced requirements for aggregation and disaggregation of information.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards which collective term includes individual HKFRSs, HKAS and Interpretations issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis, except for financial assets at fair values through profit or loss and bill receivables which are measured at fair value.

(c) Functional and presentation currency

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company and its subsidiaries.

4. SEGMENT INFORMATION AND REVENUE

(a) Reportable segment

During the reporting period, the information reported to the executive Directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, is the financial information of the Group as a whole as reported under HKFRS Accounting Standards. Such information does not contain profit or loss information of particular product or service line or brand. Therefore, the executive Directors have determined that the Group has only one single reportable segment which is trading of garments in the PRC. The executive Directors allocate resources and assess performance on an aggregated basis.

In the following table, revenue is disaggregated by primary geographical market, major products and service lines, brands and timing of revenue recognition.

	2025 <i>RMB</i>	2024 <i>RMB</i>
Primary geographical market		
The PRC	<u>862,800,867</u>	<u>1,006,620,320</u>
Major product/service		
Trading of garments	<u>756,184,919</u>	902,236,232
Trademark sub-licensing income	<u>106,615,948</u>	<u>104,384,088</u>
	<u>862,800,867</u>	<u>1,006,620,320</u>
Revenue by brands		
FIRS	<u>594,781,634</u>	710,004,551
SHANSHAN	<u>265,399,933</u>	286,066,447
Others	<u>2,619,300</u>	<u>10,549,322</u>
	<u>862,800,867</u>	<u>1,006,620,320</u>
Timing of revenue recognition		
At a point in time	<u>680,021,337</u>	795,641,217
Transferred over time	<u>182,779,530</u>	<u>210,979,103</u>
	<u>862,800,867</u>	<u>1,006,620,320</u>

(b) Geographic information

During the reporting period, the Group's operations and non-current assets are situated in the PRC in which all of its revenue was derived.

(c) **Information about major customer**

During the reporting period, there is no customer with transactions exceeded 10% of the Group's revenue.

(d) **Revenue**

The following summary describes the operations of the Group's revenue by different sale channels:

Revenue from contracts with customers within the scope of HKFRS 15:	2025 RMB	2024 RMB
Standard garment products		
– E-commerce platforms	304,358,592	367,749,686
– Franchisee	141,879,644	166,875,421
– Self-operated retail stores	139,769,113	139,074,032
– Distributors	69,576,441	102,361,013
– Work uniform	100,601,129	126,176,080
	756,184,919	902,236,232
Trademark sub-licensing income	106,615,948	104,384,088
	862,800,867	1,006,620,320

5. PROFIT BEFORE INCOME TAX

	2025	2024
	<i>RMB</i>	<i>RMB</i>
Profit before income tax is arrived at after charging/(crediting):		
Amortisation and depreciation		
– Amortisation of intangible assets	1,725,239	1,621,293
– Depreciation of right-of-use assets	23,651,455	13,141,266
– Depreciation of property, plant and equipment	16,735,244	17,800,393
	<u>42,111,938</u>	<u>32,562,952</u>
Total amortisation and depreciation		
Impairment loss on		
– Trade receivables, net	995,817	851,735
– Deposits and other receivables, net	180,417	326,826
– Property, plant and equipment	1,127,682	765,613
– Right-of-use assets	245,246	1,862,667
	<u>2,549,162</u>	<u>3,806,841</u>
Total impairment loss, net		
Write down of inventories		
– Finished goods (included in cost of sales)	1,351,987	2,339,780
– Raw materials (included in cost of sales)	423,551	879,474
– Raw materials (included in other gains and losses, net)	538,043	571,598
	<u>2,313,581</u>	<u>3,790,852</u>
Total write down of inventories, net		
Auditor’s remuneration		
– Audit services	1,038,357	1,112,316
– Non-audit services	327,708	326,247
	<u>1,366,065</u>	<u>1,438,563</u>
Total auditor’s remuneration		
Expenses relating to short-term leases and variable lease payments not included in lease liabilities (included in selling and distribution expenses)	27,340,342	27,155,347
Advertising and promotional expenses (included in selling and distribution expenses)	9,827,131	7,357,626
Cost of inventories sold	526,538,239	624,202,526
Fair value loss/(gain) on financial assets at fair value through profit or loss	<u>157,942</u>	<u>(354,924)</u>

6. DIVIDEND

	2025	2024
	RMB	RMB
Final dividend declared in respect of the prior year of RMB8.0 cents per share	<u>–</u>	<u>10,672,000</u>

7. INCOME TAX EXPENSE

Income tax expense recognised in the consolidated statement of profit or loss and other comprehensive income are as follow:

	2025	2024
	RMB	RMB
PRC Enterprise Income Tax		
– Provision for the year	3,987,693	11,706,984
– Under provision in prior year	1,364,912	870,490
	<u>5,352,605</u>	<u>12,577,474</u>
Deferred taxation	<u>(1,438,495)</u>	<u>(1,265,835)</u>
Income tax expense	<u>3,914,110</u>	<u>11,311,639</u>

PRC Enterprise Income Tax (“PRC EIT”)

The PRC EIT represents tax charged on the estimated assessable profits arising in Mainland China. The Company and its subsidiaries operating in Mainland China are subject to the PRC EIT rate of 25% (2024: 25%).

8. EARNINGS PER SHARE

The basic and diluted earnings per share attributable to the owners of the Company are calculated as follows:

	2025	2024
	RMB	RMB
Earnings		
Profit for the purposes of basic and diluted earnings per share attributable to owners of the Company	<u>7,896,432</u>	<u>33,173,528</u>
	2025	2024
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<u>133,400,000</u>	<u>133,400,000</u>
	2025	2024
	RMB	RMB
Earnings per share	<u>0.06</u>	<u>0.25</u>

There were no potential ordinary shares outstanding during the years ended 31 December 2025 and 2024, and hence the diluted earnings per share is the same as basic earnings per share.

9. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB</i>	2024 <i>RMB</i>
Trade receivables	198,690,013	269,698,165
Less: Provision for impairment	<u>(22,373,974)</u>	<u>(29,972,239)</u>
	176,316,039	239,725,926
Bills receivables	<u>144,164</u>	<u>100,000</u>
	<u>176,460,203</u>	<u>239,825,926</u>

Notes: As at 31 December 2025, included in trade receivables are amounts due from fellow subsidiaries of RMB768,947.

As at 31 December 2024, included in trade receivables were amounts due from fellow subsidiaries of RMB901,290, raised from the sale of work uniform.

The amounts due from fellow subsidiaries are unsecured, interest-free and receivable according to the relevant sales agreements.

Ageing analysis

Included in trade receivables are trade debtors (net of impairment losses) with the following ageing analysis, based on invoice dates, at the end of reporting period.

	2025 <i>RMB</i>	2024 <i>RMB</i>
Within 3 months	140,661,142	197,068,156
Over 3 months but within 6 months	10,117,165	13,294,132
Over 6 months but within 1 year	19,680,217	22,504,325
Over 1 year	<u>5,857,515</u>	<u>6,859,313</u>
	<u>176,316,039</u>	<u>239,725,926</u>

Expected credit loss measurement

Movements in the loss allowance account in respect of trade receivables during the year are as follows:

	2025 <i>RMB</i>	2024 <i>RMB</i>
As at 1 January	29,972,239	34,925,855
Impairment loss recognised during the year	995,817	851,735
Amounts written off	<u>(8,594,082)</u>	<u>(5,805,351)</u>
As at 31 December	<u>22,373,974</u>	<u>29,972,239</u>

The Group offers a general credit period up to 240 days to its customers.

10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 <i>RMB</i>	2024 <i>RMB</i>
Deposits and other receivables	9,563,891	10,848,354
Less: Provision for impairment	<u>(499,841)</u>	<u>(322,424)</u>
	9,064,050	10,525,930
Prepayments	<u>33,662,043</u>	<u>12,592,569</u>
	42,726,093	23,118,499
Less: Non-current portion of prepayments, deposits and other receivables	<u>(13,426,631)</u>	<u>(2,007,608)</u>
	<u>29,299,462</u>	<u>21,110,891</u>

Deposits and other receivables

Deposits and other receivables mainly represent refundable earnest money paid to the shopping malls and online platform operators and temporary payment on behalf of franchisees.

Expected credit loss measurement

Movements in the loss allowance account in respect of deposits and other receivables during the year are as follows:

	2025 <i>RMB</i>	2024 <i>RMB</i>
As at 1 January	322,424	115,598
Impairment loss recognised during the year	180,417	326,826
Amounts written off	<u>(3,000)</u>	<u>(120,000)</u>
As at 31 December	<u>499,841</u>	<u>322,424</u>

Prepayments

	2025	2024
	<i>RMB</i>	<i>RMB</i>
Non-current		
Prepayments for plant and machinery (<i>Note</i>)	<u>11,012,516</u>	<u>–</u>
Current		
Prepayments to suppliers	12,820,786	3,640,791
Prepayments for short-term leases	3,580,806	2,561,246
Prepayments for advertising	4,200,268	5,696,913
Prepayments for renovation	314,852	200,000
Prepayments for expenses	<u>1,732,815</u>	<u>493,619</u>
	<u>22,649,527</u>	<u>12,592,569</u>
	<u>33,662,043</u>	<u>12,592,569</u>

Note: The Group has prepaid and entered into a number of contracts for the acquisition of certain plant and machinery that the Group has not received related equipment and services at the end of reporting period. These prepayments would be transferred to “property, plant and equipment” upon receipt of relevant equipment and services.

11. TRADE AND BILLS PAYABLES

	2025	2024
	<i>RMB</i>	<i>RMB</i>
Trade payables	138,899,147	199,080,405
Bills payables	<u>–</u>	<u>17,000,000</u>
	<u>138,899,147</u>	<u>216,080,405</u>

As at 31 December 2024, the bills payables were pledged by a deposit of RMB8,500,000 and were guaranteed by a subsidiary of the Company. The bills payables were usually settled within six months from the date of issue.

Ageing analysis

The trade payables are non-interest bearing and normally due to be settled within twelve months. The carrying amounts of trade payables approximate to their fair values and are denominated in RMB. The ageing analysis, based on invoice date, is as follows:

	2025	2024
	<i>RMB</i>	<i>RMB</i>
Within 3 months	104,188,612	173,755,222
Over 3 months but within 6 months	19,019,032	12,651,239
Over 6 months but within 1 year	8,978,213	7,138,247
Over 1 year	6,713,290	5,535,697
	<u>138,899,147</u>	<u>199,080,405</u>

12. CONTRACT LIABILITIES

	2025	2024
	<i>RMB</i>	<i>RMB</i>
Contract liabilities arising from:		
Trading of garments		
– Advance from customers	7,398,533	23,407,461
– Volume rebate	–	4,449,021
– Prepaid cards	1,707,371	2,815,379
– Customer loyalty programs	1,409,409	1,138,462
	<u>10,515,313</u>	<u>31,810,323</u>

13. OTHER PAYABLES AND ACCRUALS

	2025 <i>RMB</i>	2024 <i>RMB</i>
Deposits received	69,008,072	77,829,372
Construction payables	32,086,028	26,049,938
Other tax payables (<i>Note</i>)	8,431,964	10,859,056
Accruals and other payables	<u>12,614,226</u>	<u>8,133,250</u>
	122,140,290	122,871,616
Less: Non-current portion of other payables and accruals	<u>(11,970,000)</u>	<u>(11,460,000)</u>
	<u>110,170,290</u>	<u>111,411,616</u>

Note: Other tax payables mainly include value-added tax payables arising from sale.

Deposits received

The deposits received represent interest-free refundable deposits from franchisees, distributors, sub-licensing users and customers from work uniform sales channel. The breakdown of deposits received is as follows:

	2025 <i>RMB</i>	2024 <i>RMB</i>
Deposits received from franchisees	48,737,034	56,863,749
Deposits received from sub-licensing users	11,970,000	12,609,189
Deposits received from distributors	7,523,140	7,706,434
Deposits received from others	<u>777,898</u>	<u>650,000</u>
	<u>69,008,072</u>	<u>77,829,372</u>

14. INTEREST-BEARING BANK BORROWINGS

	2025	2024
	RMB	RMB
Non-current		
Long-term bank borrowings	<u>52,696,455</u>	<u>–</u>
Current		
Short-term bank borrowings	<u>170,000,000</u>	<u>145,000,000</u>
Total borrowings	<u>222,696,455</u>	<u>145,000,000</u>

As at 31 December 2025, bank borrowings denominated in RMB included the following:

- Amounts of RMB170,000,000 being guaranteed by a subsidiary of the Company and personal guarantee from Directors, with fixed interest rate from 2.60% to 3.00% per annum and repayable within one year.
- Amounts of RMB52,696,455 were secured by a land use right with carrying amount of RMB39,806,814, which was recognised as right-of-use assets, and guaranteed by a subsidiary of the Company, with variable interest rate at 5-year Loan Prime Rate per annum. The effective interest rate of the borrowings ranged from 3.50% to 3.60% per annum. The borrowings were repayable as follows:

	RMB
More than one year, but not exceeding two years	10,000,000
More than two years, but not exceeding five years	20,000,000
More than five years	<u>22,696,455</u>
Total	<u>52,696,455</u>

The above bank borrowings are subject to annual review of certain financial covenant terms in relation to maintaining a minimum debt-asset ratio requirements (based on audited financial statements) of the Company, otherwise the bank would have a right to demand an early repayment of the loan. During FY2025, the Group had not breached any financial covenant terms.

As at 31 December 2024, bank borrowings denominated in RMB included the following:

- Amounts of RMB100,000,000 being guaranteed by a subsidiary of the Company and personal guarantee from Directors, with fixed interest rate from 3.35% to 3.45% per annum and repayable within one year.

Amounts of RMB62,000,000 included in above bank borrowings are subject to annual review of certain financial covenant terms in relation to maintaining a minimum debt-asset ratio requirements (based on audited financial statements) of the Company, otherwise the bank would have a right to demand an early repayment of the loan. During the FY2024, the Group had not breached any financial covenant terms.

- Amounts of RMB45,000,000 being guaranteed by a subsidiary of the Company, with fixed interest rate at 3.80% per annum and repayable within one year.

The Directors estimated the fair value of the interest-bearing bank borrowings by discounting their future cash flows at the market rate, and the Directors considered that the carrying amounts of the Group's interest-bearing bank borrowings approximate to their fair values at each reporting date.

15. SHARE CAPITAL

	Number of shares	RMB
Registered domestic share capital and H Shares		
As at 1 January 2024, 31 December 2024 and 31 December 2025	<u>133,400,000</u>	<u>133,400,000</u>

16. COMMITMENTS

(a) Operating lease commitments

The operating lease commitments are all related to short-term leases which are exempted from recognising as right-of-use assets and lease liabilities under HKFRS 16.

The operating leases of certain retail stores include additional rentals, which are based on a certain percentage of revenue of the operation being undertaken therein pursuant to the terms and condition as stipulated in the respective agreements. As the future revenue of these retail stores could not be accurately determined as at end of year, the relevant contingent rentals have not been included in the following operating lease commitments.

Total future minimum lease payments under non-cancellable operating leases are due as follows:

	2025	2024
	RMB	RMB
Not later than one year	<u>5,850,182</u>	<u>7,318,232</u>

(b) Capital commitments

In addition to those capital commitment disclosed elsewhere in the consolidated financial statements, the Group had capital commitments as follows:

	2025	2024
	RMB	RMB
Contracted, but not provided for:		
– Acquisition of property, plant and equipment	1,486,540	6,119,751
– Construction	55,832,811	66,837,124
– Extend the licensing period of certain trademarks	6,600,000	–
	<u>63,919,351</u>	<u>72,956,875</u>

17. CONTINGENT LIABILITIES

As at 31 December 2025 and 2024, the Group had no significant contingent liabilities.

18. CREDIT FACILITIES

As at 31 December 2025, the Group has obtained banking facilities, including bank loans of totalling RMB315,000,000, of which RMB222,696,455 has been utilised by the Group. The Group has unutilised banking facilities of approximately RMB92,303,545.

19. EVENT AFTER THE REPORTING PERIOD

The Group had no significant events from the end of the reporting period and up to the date of this announcement.

BUSINESS REVIEW

In 2025, the apparel industry navigated forward under overall pressure with intensifying differentiation. Revenue and profits declined for enterprises above designated size. Performance among listed companies in the menswear sector diverged, with leading brands gradually increasing market share while trailing enterprises faced accelerated elimination, driving continuous industry consolidation. Simultaneously, the industry's competitive logic shifted as traffic dividends peaked. The focus transitioned from scale competition to system efficiency, as models reliant solely on marketing and channel expansion reached their limits. According to data from the National Bureau of Statistics, in 2025, the revenue of garment and apparel enterprises above designated scale decreased by 12.7% year-on-year, while their total profits fell by 27.3% year-on-year.

In 2025, the Group will adhere to the strategic core principle of “high-quality development”, focusing on the in-depth management of its three core assets: “Talent, Brand, Capital”. We are committed to create a development model characterized by multiple brands, diverse business formats, diversification, high returns, and strong growth. Rooted in our brand's birthplace, we will concentrate on core markets and key provinces and cities, continuously advancing the “One Core, Two Wings” development model. Online and offline development will advance in tandem. The Group will deepen the implementation of its flagship suit initiative, leveraging product upgrades to establish a foothold in new marketing channels, new consumption scenarios, and new consumer segments. This will drive steady growth across the Company's overall operations and enhance the value of its core assets.

In 2025, the Group continued to deepen the cultural development of the Shanshan Suits brand, focusing on enhancing its cultural value. In March, leveraging the momentum of the 2025 Beijing China International Fashion Week, the Group once again partnered with the China Fashion Association to successfully host the “Eastern Gentleman” themed Chinese Suit Trend Presentation Show. Brand ambassador Mr. Hu Bing led the opening walk, redefining the classic image of Chinese suits through his modern aesthetic and professional performance, creating a highlight moment at this year's fashion week. In November, the Group hosted the “Timeless Elegance, Celebrating Excellence” brand meet-and-greet at Shanshan Outlet in Jinzhong, Shanxi. Mr. Hu Bing attended in person, deeply interpreting the gentlemanly spirit and timeless quality of Shanshan Suits. This event effectively strengthened the emotional connection between the brand and its core customer base, achieving dual growth in regional sales and brand visibility.

In 2025, the Group continued to drive brand image upgrades and narrative innovation. Through fashion events, high-impact communications, and a digital content matrix, it comprehensively enhanced brand awareness and reputation, significantly boosting market influence and cultural penetration. Shanshan Suits has established itself as a benchmark for the revitalization of domestic brands, gaining widespread recognition within the industry and consumer market.

This year, the Group's Shanshan Brand 5G New Productivity Industrial Park project in Wangchun Industrial Park, Haishu District, Ningbo City, Zhejiang Province, is under full-scale construction. It aims to establish a modern digital and intelligent industrial park integrating smart production, intelligent warehousing, new retail livestreaming bases, and brand incubation. It will provide high-quality, cost-effective suits and shirts for the omni-channel marketing network, further enhancing brand recognition and market competitiveness. The main structure of the industrial park project has been completed and is scheduled for final inspection and production commencement in 2026.

Based on the continuous optimization of the terminal channel layout, deepened its efforts on key regional markets, upgrading the brand image, and improving store efficiency and people efficiency, the Group adopted a series of effective measures, resulting in the number of retail terminal stores of the Group being adjusted from 662 as at 31 December 2024 to 584 as at 31 December 2025, including 394 for FIRS and 190 for SHANSHAN, representing a year-on-year decrease in the number of retail stores of approximately 11.8%. Meanwhile, the Group has targeted to empower terminal stores through the plan of “thousands of stores in hundreds of cities”, membership system construction and retail skills training. Additionally, the Group optimized its e-commerce platform operations this year, specifically addressing live-streaming stores and private domain businesses that demonstrated low efficiency and poor return on investment.

The Board believes that the various strategic initiatives implemented by the Group in FY2025 are effective. However, due to the overall pressure on the industry's operating environment, the operating revenue of the Group amounted to RMB862.8 million for the Year, representing a decrease of approximately 14.3% as compared to RMB1,006.6 million for the FY2024, the Group's profit decreased by approximately 76.2% from RMB33.2 million in FY2024 to RMB7.9 million for the Year.

FINANCIAL REVIEW

Revenue

The Group generated revenue primarily from sales of apparel to distributors, direct sales, franchisee sales, sales of work uniform and trademark sub-licensing income, etc. For the Year, total revenue of the Group decreased by approximately 14.3% to RMB862.8 million from RMB1,006.6 million for FY2024, primarily attributable to (i) the Group is affected by factors such as the overall market demand pressures and marketing policy adjustments, resulted in a decrease in revenue from distributors and work uniform sales channels of RMB32.8 million and RMB25.6 million respectively; and (ii) optimized live-streaming stores and private domain operations, resulting in a 17.2% decrease in e-commerce platform sales revenue for the Year. Please refer to the sections headed “Revenue by sales channels” and “Revenue by brands” below for details.

Revenue by sales channels

The breakdown of the total revenue by sales channels is as follows:

	Year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Sales to distributors	69,576	8.1	102,361	10.2
Direct sales				
E-commerce platforms	304,359	35.3	367,750	36.5
Self-operated retail stores	139,769	16.2	139,074	13.8
Franchisee sales				
Cooperative arrangements	141,880	16.4	166,875	16.6
Work uniform	100,601	11.7	126,176	12.5
Trademark sub-licensing income	106,616	12.3	104,384	10.4
Total	862,801	100	1,006,620	100

Revenue by brands

The breakdown of the total revenue by brands is as follows:

	Year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
FIRS	594,782	68.9	710,005	70.5
SHANSHAN	265,400	30.8	286,066	28.4
Others	2,619	0.3	10,549	1.1
Total	862,801	100	1,006,620	100

Gross profit

For the Year, gross profit of the Group decreased by approximately 11.8% to RMB334.5 million from RMB379.2 million for FY2024, primarily attributable to the decrease in revenue by 14.3% for the Year, resulting in the decrease of gross profit by RMB44.7 million.

Other revenue

Other revenue mainly comprises bank interest income and gain on sale of raw materials of the Group. For the Year, other revenue of the Group decreased by approximately 45.5% to RMB0.6 million from RMB1.1 million for FY2024, mainly due to declined in interest income.

Other gains and losses, net

Other gains, net for the Year amounted to RMB3.4 million, which was mainly attributable to the receipt of a penalty payment of RMB 3.3 million from a customer with whom the partnership was terminated following its failure to meet the contractual targets.

Other losses, net for FY2024 amounted to RMB3.1 million, which was mainly attributable to the Group's charitable donation of winter relief supplies to Jishishan County, Linxia, Gansu Province, China, following an earthquake.

Selling and distribution expenses

Selling and distribution expenses mainly include the Group's commission sharing to franchisees, store and e-commerce expenses, staff costs, advertising and promotional expenses and renovation costs.

For the Year, selling and distribution expenses of the Group increased by approximately 0.7% to RMB283.8 million from RMB281.8 million for FY2024, which remained relatively stable.

Administrative expenses

Administrative expenses mainly include staff costs, travelling expenses, office rental expenses and legal and professional fees.

For the Year, administrative expenses of the Group decreased by approximately 13.1% to RMB36.4 million from RMB41.9 million for FY2024, mainly due to enhanced internal cost management and decrease in professional fees and travelling expenses.

Impairment loss on property, plant and equipment

The impairment loss on property, plant and equipment of the Group increased from RMB0.8 million for FY2024 to RMB1.1 million for the Year.

Impairment loss on right-of-use assets

The impairment loss on right-of-use assets of the Group decreased from RMB1.9 million for FY2024 to RMB0.2 million for the Year.

Impairment loss on trade receivables, net

For the Year, impairment loss on trade receivables of the Group remained stable as compared with FY2024.

Impairment loss on deposits and other receivables, net

The impairment loss on deposits and other receivables of the Group during the year remained stable as compared with FY2024.

Finance costs

Finance costs mainly include interest expenses on bank borrowings of the Group and interest expenses on lease liabilities.

For the Year, finance costs of the Group decreased by approximately 21.4% to RMB4.4 million from RMB5.6 million for FY2024. Such decrease was mainly due to the capitalized interest for construction in progress for the current year amounted to RMB2.5 million.

Income tax expense

Income tax expense mainly represents the income tax payable by the Group according to the relevant PRC income tax laws and regulations. The income tax expense for the Year decreased to RMB3.9 million from RMB11.3 million for FY2024, primarily due to profit before income tax decreased this year.

Profit for the year

For the Year, the profit recorded by the Group decreased to RMB7.9 million from RMB33.2 million for FY2024, mainly due to reduced gross profit resulting from decreased revenue for the Year, coupled with relatively inflexible sales and distribution expenses and administrative expenses.

WORKING CAPITAL MANAGEMENT

	Year ended 31 December	
	2025	2024
Average inventory turnover days	173	148
Average trade receivables turnover days	88	84
Average trade payables turnover days	<u>123</u>	<u>107</u>

Average inventory turnover days of the Group increased from 148 days as at 31 December 2024 to 173 days as at 31 December 2025, mainly due to a decline in sales revenue that caused a delay in the clearance of products.

Average trade receivables turnover days of the Group increased from 84 days as at 31 December 2024 to 88 days as at 31 December 2025, which remained relatively stable.

Average trade payables turnover days of the Group increased from 107 days as at 31 December 2024 to 123 days as at 31 December 2025, mainly due to credit periods offered by suppliers were extended.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a solid financial position for the Year. Cash and cash equivalents of the Group increased from RMB106.5 million as at 31 December 2024 to RMB110.1 million as at 31 December 2025, and its pledged deposits decreased to RMB2.6 million as at 31 December 2025 from RMB10.7 million as at 31 December 2024. The cash and cash equivalents were mainly denominated in RMB.

As at 31 December 2025 and 31 December 2024, total bank borrowings of the Group amounted to approximately RMB222.7 million and RMB145.0 million, respectively. As at 31 December 2025, all bank borrowings were denominated in RMB and repayable within a year from the respective year end dates. The details for the Group's bank borrowings are set out in note 14 to the consolidated financial statements in this announcement. Gearing ratios (total borrowings over total assets of the Group) of the Group were approximately 28.1% and 17.7% as at 31 December 2025 and 31 December 2024, respectively.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a solid liquidity position throughout the Year. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. Surplus cash will be invested appropriately so that the Group will have adequate cash for its business operation and business development.

FOREIGN EXCHANGE RISK AND HEDGING

Most of the Group's transactions are denominated in RMB. As such, the Company does not have significant exposure to foreign exchange fluctuation.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2025, the Group had 300 employees (31 December 2024: 265 employees). Employee costs, including Directors' emoluments, amounted to approximately RMB41.9 million for the Year (2024: RMB42.4 million). The remuneration policy for the Directors and the senior management focuses on their experience, level of responsibility and general market conditions. Any discretionary bonus and other performance bonus are linked to the profit performance of the Group and the performance of the Directors and individual senior management. The Group provides and arranges on-the-job training for the employees.

The remuneration committee of the Board reviews and recommends to the Board for consideration and approval of the remuneration and compensation packages of the Directors and the senior management with reference to the salaries paid by comparable companies in the market, time commitment, responsibilities of the Directors and the senior management as well as the Group's financial performance.

ENVIRONMENTAL MANAGEMENT

Being a socially and environmentally responsible enterprise, the Group is dedicated to achieving environmental friendly and sustainable development by abiding by relevant laws and regulations, including the "Environmental Protection Law of the People's Republic of China" and the regulations implemented by the environmental protection bureaus of the relevant PRC local governments during its daily operation. The Group has also attained the ISO14001 "Environment Management Systems" Certification. An environmental, social and governance report of the Group will be issued as part of the annual report of the Company for the Year, in accordance with the Environmental, Social and Governance Reporting Code as contained in Appendix C2 to the Listing Rules, which will be published on the respective websites of the Stock Exchange and the Company.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not hold any significant investments, and did not conduct any material acquisitions or disposals of assets, subsidiaries, associates or joint ventures during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As disclosed in the circular of the Company dated 2 December 2023, the estimated total costs of the industrial park project was RMB280 million (including the land use rights of a land located in Wangchun Industrial Park, Haishu District, Ningbo City, Zhejiang Province, the PRC (the “**Land Use Rights**”). As at 31 December 2025, the Company signed contracts for the construction of the industrial park project in the amount of RMB200,268,854 in total (including the consideration for land use rights). Save as disclosed above, the Company did not have any other plan for material investments or capital assets as of 31 December 2025. The Company’s expected source of funding for the coming year will tentatively come from the Group’s existing internal resources and from bank borrowings for the development of the industrial park project.

CAPITAL STRUCTURE

There was no change in the capital structure of the Company as at 31 December 2025 as compared with that as at 31 December 2024.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2025 (31 December 2024: Nil).

PLEDGE OF ASSETS

As of 31 December 2025, the Group had pledged deposits of RMB2.6 million as a guarantee deposit for the industrial park project construction and a performance bond for work uniforms. Bank borrowings of RMB52.7 million under non-current liabilities were secured by the Group’s land use rights (31 December 2024: pledged deposits of RMB10.7 million as guarantee deposits for bills payables and project construction of the industrial park project). Except for the above-mentioned pledged deposits, there were no other assets pledged as security by the Group.

MANDATORY CONDITIONAL CASH OFFER

On 30 June 2025 (after trading hours), Mr. Luo Yefei (the “**Offeror**”) entered into the equity transfer agreements (the “**Equity Transfer Agreements**”) with the sellers, pursuant to which the Offeror agreed to acquire and the sellers agreed to sell an aggregate of 46.50% of the share capital of Ningbo Liankangcai Brand Management Co., Ltd. (“**Ningbo Liankangcai**”) (the “**Acquisition**”), at an aggregate consideration of RMB1,116,558.00. Completion of Acquisition took place on the date of the Equity Transfer Agreements, being 30 June 2025 (the “**Completion**”).

Immediately following the Completion and as at the date of this announcement, the Offeror, Shaanxi Maoye Gongmao Co., Ltd. and Ningbo Liankangcai owned an aggregate of 52,021,000 domestic shares of the Company (the “**Domestic Shares**”), representing approximately 39.00% of the total issued shares as at the date of this announcement.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make mandatory conditional general offers in cash for all the issued Domestic Shares and H Shares other than those already owned or agreed to be acquired by the Concert Group in accordance with the Takeovers Code.

The Offeror is making the Domestic Share Offer for each Domestic Share RMB0.1000 in cash, and SDICS International Securities (Hong Kong) Limited, on behalf of the Offeror, is making the H Share Offer for each H Share HK\$0.1097 in cash in compliance with the Takeovers Code (determined by reference to the share capital consideration under the Ningbo Liankangcai Equity Transfer Agreement and the exchange rate as of 30 June 2025).

The Offeror and the Company jointly issued the composite offer and response document on 12 September 2025, at which time the Offers became open for acceptance. As of 4:00 p.m. on 3 October 2025, the conditions of the Offers had not been fulfilled. The Offeror and the Company jointly announce that the Offers lapsed on 3 October 2025, and will not be extended or amended.

OUTLOOK AND STRATEGIES

In 2026, the Group will adopt “Pragmatic Innovation and Quality-Driven Growth” as its core strategic framework, establishing the “Two New Initiatives and Four Quality Dimensions” as its overarching development direction. Comprehensive work plans will be formulated across three key dimensions: core project implementation, quality enhancement across four dimensions, and execution safeguards. We will strive to achieve our medium-to-long-term strategic goals of securing the top market share in China’s men’s suit sector and reclaiming the leading position in China’s men’s apparel industry. Specific plans are outlined below:

- I. Define Core Performance Targets. Develop differentiated growth strategies for each Business Channel Segment to drive the Company’s transition from scale expansion to system efficiency competition. Establish precise growth objectives and implementation pathways tailored to each unit’s operational characteristics.
- II. Execute Core Projects of the “Two New Initiatives” Strategy. Commission the 5G New Productivity Industrial Park, establish factory management systems, and integrate cross-system processes spanning research and development, production, supply, and sales. Building a world-class digital benchmark factory in the domestic men’s apparel sector. Incubate and launch the new fashion-sports brand OakAura, with core objectives of “first-season product launch, inaugural brand exposure, and debut experiential retail outlet” to establish foundational brand operations.
- III. Advancing Core Initiatives for “Six-Pronged Quality Enhancement”. Product Quality Enhancement: Deepening expertise in core suit categories, upgrading patterns, participating in upstream fabric research and development, and launching the “Craftsmanship Initiative” to cultivate specialized talent, thereby elevating customer-perceived value and professional barriers. Brand Quality Enhancement: Shifting from “selling products” to “delivering value”, strategically deploying brand communications to establish industry reputation and become a benchmark for value leadership. Channel Quality Enhancement: Focusing on precise deployment in core regions, and significantly enhancing per-store profitability. Talent Quality Enhancement: Strengthening talent pipeline development through balanced recruitment and cultivation, fostering professionals via hands-on experience. Management Quality Enhancement: Optimizing processes, refining systems, and establishing efficient collaboration mechanisms. Leveraging digital management platforms to break down departmental silos and enhance service awareness in back-office operations. Operational Quality Enhancement: Precisely capture core market share externally while achieving quality-driven scale growth internally, boosting profitability through cost reduction and efficiency gains.

- IV. Strengthen Execution Safeguards to Ensure Goal Implementation. Centered on strategic plans, focus on key tasks, assign clear accountability, implement responsibility-to-individual systems, process controls, collaborative support, and results-oriented approaches to fully achieve overall operational objectives.

The Group maintains a consistently positive outlook on future development prospects. 2026 marks a pivotal year as the Company enters a new phase of development and advances toward deepening its presence across the entire industrial chain. The Group will remain profit-driven to achieve quality growth, strengthen execution and collaboration, and advance full force toward the “Two First Place” medium-to-long-term strategic goals. This will better serve shareholders, employees, and customers while driving the Group’s sustainable development.

SUBSEQUENT EVENTS

The Group had no significant events from the end of the Year and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Year, the Company did not redeem any listed securities nor did the Company and any of its subsidiaries purchase or sell any of the Company’s listed securities (including sales of treasury shares, if any). As at 31 December 2025, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE PRACTICES

The Board firmly believes that conducting the businesses of the Group in a transparent and responsible manner and complying with good corporate governance practices serve its long-term interests and those of the shareholders of the Company (the “**Shareholders**”). Various measures have been adopted to enhance the management efficiency of the Company and thus to protect the interest of the Shareholders.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as contained in Part 2 of Appendix C1 to the Listing Rules as its own code of corporate governance. During the Year, the Company has applied the CG Code and complied with all the code provisions as set out in the CG Code during the Year except for the following deviation:

Pursuant to C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Presently, the Company does not have a position titled “chief executive officer”. However, Mr. Luo Yefei, an executive Director and the chairman of the Board (the “**Chairman**”), has been carrying out the duties of the chief executive officer. The Board considers that the current structure facilitates the execution of the Group’s business strategies and maximises the effectiveness of its operation.

In addition, as all major decisions are made in consultation with the members of the Board and relevant Board committees, and there are three independent non-executive Directors offering independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board shall nevertheless review the structure from time to time to ensure that appropriate action is being taken as and when appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct governing the securities transactions by the Directors and the Supervisors on terms no less exacting than the required standard as set out in the Model Code. Following a specific enquiry made by the Company with each of the Directors and the supervisors of the Company (the “**Supervisors**”), all the Directors and the Supervisors have confirmed that they had complied with the Model Code during the Year.

REVIEW BY THE AUDIT COMMITTEE

The audit committee of the Board (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Mr. Chow Ching Ning, Mr. Wang Yashan and Mr. Wu Xuekai. Mr. Chow Ching Ning who has the appropriate professional qualifications as required by the Listing Rules is the chairman of the Audit Committee.

The Audit Committee has reviewed the accounting standards and practices adopted by the Group and discussed the internal control and financial reporting matters for the Year. The Audit Committee has also reviewed the annual results of the Group for the Year.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group’s results for the Year contained in the financial information set out on pages 2 to 20 of this announcement have been agreed by the Group’s independent auditor, BDO Limited (“**BDO**”), to the amounts set out in the Group’s draft consolidated financial statements for the Year as approved by the Board. The work performed by BDO in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by HKICPA and consequently no assurance has been expressed by BDO in this preliminary announcement.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the Year (2024: RMB10,672,000).

2026 Annual General Meeting (the “2026 AGM”)

The 2026 AGM will be held on Monday, 8 June 2026. The notice of the 2026 AGM will be published on the Company’s website (<http://www.chinafirs.com>) and the website of the Stock Exchange (<https://www.hkexnews.hk>) and dispatched to the shareholders (if so requested) in due course.

Closure of Register of Members

For the purpose of determining the Shareholders’ entitlement to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Wednesday, 3 June 2026 to Monday, 8 June 2026, both days inclusive, during which period no transfer of shares will be effected.

The record date will be Monday, 8 June 2026 and in order to qualify as the Shareholders to attend and vote at the 2026 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with in case of holders of H Shares, with the Company's H share registrar and transfer office, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, and in case of holders of Domestic Shares, to the Company's registered office address at the Office of the Board, 238 Yunlin Middle Road, Wangchun Industrial Park, Ningbo, Zhejiang Province, the PRC, no later than 4:30 p.m. on Tuesday, 2 June 2026.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND 2025 ANNUAL REPORT

This annual results announcement is published on the Stock Exchange's website at <http://www.hkexnews.hk> and on the Company's website at <http://www.chinafirs.com>. The 2025 annual report of the Company will be available on both websites and despatched to the Shareholders (if so requested) in due course.

By Order of the Board
Shanshan Brand Management Co., Ltd.
Luo Yefei
Chairman

Ningbo, the PRC, 20 March 2026

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Luo Yefei (*Chairman*)

Mr. Cao Yang (*Vice Chairman*)

Ms. Yan Jingfen

Ms. Zhou Yumei

Non-executive Directors:

Mr. Mao Weiyong

Mr. Wang Mingming

Independent Non-executive Directors:

Mr. Chow Ching Ning

Mr. Wang Yashan

Mr. Wu Xuekai