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)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

INTERIM FINANCIAL INFORMATION

The board (the "**Board**") of directors (the "**Directors**") of Shanshan Brand Management Co., Ltd. (the "**Company**") announces the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Period**"), together with the comparative figures for the corresponding period of 2025 and as at 31 December 2025 as well as selected explanatory notes as set out below. The unaudited condensed consolidated interim financial information for the Period has been reviewed by the audit committee of the Board (the "**Audit Committee**").

CONDENSED 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
	Notes	***RMB***	*RMB*
		(Unaudited)	(Unaudited)
Revenue	*4*	**387,895,462**	425,213,042
Cost of sales		**(223,309,436)**	(246,145,684)
Gross profit		**164,586,026**	179,067,358
Other revenue		**197,536**	321,995
Other gains and losses, net		**(720,290)**	1,134,388
Selling and distribution expenses		**(136,019,252)**	(147,596,943)
Administrative expenses		**(20,926,931)**	(18,719,189)
(Provision for)/reversal of impairment loss on trade receivables, net		**(1,537,004)**	3,437,356
Reversal of impairment loss on deposits and other receivables, net		**365,887**	69,806
Finance costs	*5*	**(1,583,376)**	(2,266,263)
Share of result of a joint venture		**330,754**	263,989
Profit before income tax	*6*	**4,693,350**	15,712,497
Income tax expense	*8*	**(1,669,598)**	(3,644,182)
Profit and total comprehensive income for the period attributable to owners of the Company		**3,023,752**	12,068,315
		RMB cents	*RMB cents*
Earnings per share attributable to owners of the Company	*9*	**2.27**	9.05

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	**As at 30 June 2026 *RMB* (Unaudited)**	As at 31 December 2025 *RMB* (Audited)
Non-current assets			
Property, plant and equipment	*10*	**151,473,292**	141,863,575
Right-of-use assets		**55,019,729**	62,337,326
Intangible assets		**9,177,060**	3,162,932
Interest in joint ventures		**9,046,823**	8,716,069
Prepayments, deposits and other receivables	*12*	**14,713,863**	13,426,631
Deferred tax assets		**21,031,597**	21,704,682
Total non-current assets		**260,462,364**	251,211,215
Current assets			
Inventories		**206,813,051**	222,360,505
Trade and bills receivables	*11*	**174,675,997**	176,460,203
Prepayments, deposits and other receivables	*12*	**47,316,771**	29,299,462
Financial assets at fair value through profit or loss		**264,115**	487,967
Pledged deposits		**21,827,061**	2,578,026
Cash and cash equivalents		**82,224,149**	110,065,336
Total current assets		**533,121,144**	541,251,499

	Notes	**As at 30 June 2026** *RMB* **(Unaudited)**	As at 31 December 2025 *RMB* (Audited)
Current liabilities			
Trade and bill payables	*13*	**110,781,756**	138,899,147
Contract liabilities		**12,407,391**	10,515,313
Other payables and accruals	*14*	**87,208,841**	110,170,290
Interest-bearing bank borrowings	*15*	**195,603,483**	170,000,000
Amount due to a joint venture	*17(b)*	**875,000**	875,000
Amount due to a substantial shareholder	*17(c)*	**1,415,094**	1,415,094
Income tax payable		**255,141**	226,480
Lease liabilities		**12,524,044**	16,083,951
Total current liabilities		**421,070,750**	448,185,275
Net current assets		**112,050,394**	93,066,224
Total assets less current liabilities		**372,512,758**	344,277,439
Non-current liabilities			
Contract liabilities		**679,245**	–
Other payables and accruals	*14*	**9,840,000**	11,970,000
Interest-bearing bank borrowings	*15*	**77,849,307**	52,696,455
Lease liabilities		**3,515,800**	6,110,103
Amount due to a substantial shareholder	*17(c)*	**4,103,773**	–
Total non-current liabilities		**95,988,125**	70,776,558
Net assets		**276,524,633**	273,500,881
Capital and reserves			
Share capital	*16*	**133,400,000**	133,400,000
Reserves		**143,124,633**	140,100,881
Total equity		**276,524,633**	273,500,881

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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 (the "**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.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements for the Period have been prepared in accordance with the applicable disclosure requirement of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and with Hong Kong Accounting Standard ("**HKAS**") 34, Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

These unaudited condensed consolidated interim financial statements for the Period should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards ("**HKFRSs**").

These unaudited condensed consolidated interim financial statements for the Period have been prepared under the historical cost basis except for those financial assets that are measured at fair value.

These unaudited condensed consolidated interim financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated. These unaudited condensed consolidated interim financial statements have been approved for issue by the Directors on 26 August 2026.

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements of the Group for the year ended 31 December 2025 as described in the 2025 annual financial statements.

Adoption of new/revised HKFRS Accounting Standards – effective 1 January 2026

The HKICPA has issued the below new/revised HKFRS Accounting Standards that is first effective for the current accounting period of the Group:

Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS 9 and HKFRS 7	Amendments to the classification and measurement of financial instruments
Amendments to HKFRS Accounting Standards	Annual improvements to HKFRS Accounting Standards – Volume 11

The new/revised HKFRSs that are effective from 1 January 2026 did not have significant impact on the Group's accounting policies, financial results and financial position.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the unaudited condensed consolidated interim financial statements, the critical accounting judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2025 annual financial statements.

4. SEGMENT INFORMATION AND REVENUE

(a) Reportable segment

During the 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 a particular product or service line or brands. Therefore, the executive Directors have determined that the Group has only one single reportable segment which is the 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.

	Six months ended 30 June	
	2026	2025
	RMB	*RMB*
	(Unaudited)	(Unaudited)
Primary geographical market		
The PRC	**387,895,462**	425,213,042
Major product/service		
Trading of garments	**334,109,328**	374,483,426
Trademark sub-licensing income	**53,786,134**	50,729,616
	387,895,462	425,213,042
Revenue by brands		
FIRS	**260,671,976**	286,982,466
SHANSHAN	**126,765,939**	136,069,821
Others	**457,547**	2,160,755
	387,895,462	425,213,042
Timing of revenue recognition		
At a point in time	**299,938,765**	336,061,528
Transferred over time	**87,956,697**	89,151,514
	387,895,462	425,213,042

(b) Geographic information

During the 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 customers

During the Period, there is no customer with transactions exceeding 10% of the Group's revenue.

(d) Revenue

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

	Six months ended 30 June	
	2026	2025
	RMB	*RMB*
	(Unaudited)	(Unaudited)
Trading of garments – sales channels:		
E-commerce platforms	**109,638,970**	146,022,393
Franchisee	**62,258,045**	78,999,209
Self-operated retail stores	**88,823,536**	73,347,925
Distributors	**20,619,782**	31,486,779
Work uniform	**52,768,995**	44,627,120
	334,109,328	374,483,426
Trademark sub-licensing income	**53,786,134**	50,729,616
	387,895,462	425,213,042

5. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB	*RMB*
	(Unaudited)	(Unaudited)
Interest expenses on bank borrowings	**3,935,874**	2,705,776
Less: Amounts capitalised on qualifying assets	**(2,652,536)**	(1,063,332)
	1,283,338	1,642,444
Interest expenses on lease liabilities	**300,038**	623,819
	1,583,376	2,266,263

Note: Finance costs capitalised during the Period arose from both specific borrowing and general borrowing. Borrowing cost capitalised from general borrowing is calculated by applying a capitalisation rate of 2.77% (2025: 3.58%) per annum, to expenditure on construction in progress in property, plant and equipment.

6. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2026	2025
	RMB	*RMB*
	(Unaudited)	(Unaudited)
Amortisation and depreciation		
Amortisation of intangible assets	**1,060,241**	889,762
Depreciation of right-of-use assets	**11,319,446**	11,304,701
Depreciation of property, plant and equipment	**8,529,929**	9,915,492
Total amortisation and depreciation	**20,909,616**	22,109,955
Provision for/(reversal of) impairment losses on		
Trade receivables, net	**1,537,004**	(3,437,356)
Deposits and other receivables, net	**(365,887)**	(69,806)
Total provision for/(reversal of) impairment loss on financial assets, net	**1,171,117**	(3,507,162)
Written down/(reversal of written down) of inventories, net		
Finished goods (included in cost of sales) *(Note a)*	**(2,303,365)**	261,420
Raw materials (included in cost of sales) *(Note a)*	**(958,911)**	(901,286)
Raw materials (included in other gains and losses, net) *(Note a)*	**91,330**	(531,634)
Total reversal of written down of inventories, net	**(3,170,946)**	(1,171,500)
Expenses relating to short-term leases and variable lease payments not included in lease liabilities	**11,509,696**	13,850,563
Advertising and promotional expenses	**5,995,570**	5,041,297
Cost of inventories sold	**226,571,712**	246,785,550
Fair value loss on financial assets at fair value through profit or loss	**223,852**	193,546
Staff costs	**24,218,330**	20,900,959

Note a: The reversal of written down of inventories made in prior years arose upon an increase in the estimated net realisable value of these inventories.

7. DIVIDENDS

(a) Dividends attributable to the previous financial year

Dividends and distribution attributable to the previous financial year, approved and payable during the interim period:

	Six months ended 30 June	
	2026	2025
	RMB	*RMB*
	(Unaudited)	(Unaudited)
Final dividend in respect of the year ended 31 December 2025, approved and payable during the interim period of RMB8 cents per share	**–**	10,672,000

At the annual general meeting held on 9 June 2025, the shareholders of the Company (the "**Shareholders**") approved the payment of a final dividend of RMB8 cents per ordinary share for the year ended 31 December 2024 totaling approximately RMB10,672,000 and was subsequently paid on 8 August 2025.

(b) Dividends attributable to the interim period

No dividend attributable to the interim period was paid, declared or proposed during the Period (six months ended 30 June 2025: Nil).

8. INCOME TAX EXPENSE

The PRC Enterprise Income Tax ("**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%.

Deferred tax expense/(credit) mainly represented the temporary difference in tax effect arising from leases arrangements, the expected credit loss allowance on trade receivables and deposits and other receivables and written down of inventories for both periods.

The income tax expense has been recognised in profit or loss as follows:

	Six months ended 30 June	
	2026	2025
	RMB	*RMB*
	(Unaudited)	(Unaudited)
Provision of income tax	**996,513**	3,899,783
Deferred tax expense/(credit)	**673,085**	(255,601)
Income tax expense	**1,669,598**	3,644,182

9. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	RMB	*RMB*
	(Unaudited)	(Unaudited)
Profit		
Profit for the purpose of basic and diluted earnings per share attributable to owners of the Company	**3,023,752**	12,068,315
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**133,400,000**	133,400,000
	RMB cents	*RMB cents*
Earnings per share	**2.27**	9.05

There were no potential ordinary shares outstanding during the six months ended 30 June 2026 and 2025, and hence the diluted earnings per share is the same as basic earnings per share.

10. PROPERTY, PLANT AND EQUIPMENT

As disclosed in the Company's announcement dated 16 November 2023 and circular dated 2 December 2023, the Group conducted a very substantial acquisition in relation to the entering of the land use rights grant contract and the investment agreement (the "**Project**").

The Group is constructing a comprehensive building on the land, comprising a product research and development center, a high-end digital intelligent manufacturing plant and a digital intelligence warehouse for its formal and casual business menswear business. During the Period, the Group recognised the addition of construction in progress and related machinery of approximately RMB15,118,514 of which RMB11,100,359 have not been paid at the end of reporting period and were recorded as other payables and accruals. Besides, the amount also included interest capitalised in the construction in progress amounted to RMB2,652,536 (Note 5) during the Period.

With the completion of the Project during the Period, the construction in progress was transferred to building. After obtaining the building ownership certificate, the properties will be charged as a security for bank borrowing.

As at 31 December 2025, pledged deposits of RMB2,172,445 were used to secure the construction of building. Amount was released during the Period.

Apart from the above, during the Period, the Group acquired property, plant and equipment of approximately RMB3,021,132 (six months ended 30 June 2025: RMB6,773,405).

11. TRADE AND BILLS RECEIVABLES

	As at 30 June 2026	As at 31 December 2025
	RMB	*RMB*
	(Unaudited)	(Audited)
Trade receivables	**198,422,058**	198,690,013
Less: Provision for impairment	**(23,910,978)**	(22,373,974)
	174,511,080	176,316,039
Bills receivables	**164,917**	144,164
	174,675,997	176,460,203

Note: As at 30 June 2026, included in trade receivables are amounts due from fellow subsidiaries of RMB525,742 (2025: RMB460,350). 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 following ageing analysis, based on invoice dates, at the end of reporting period.

	As at 30 June 2026	As at 31 December 2025
	RMB	*RMB*
	(Unaudited)	(Audited)
Within 3 months	**109,925,178**	140,661,142
Over 3 months but within 6 months	**9,118,509**	10,117,165
Over 6 months but within 1 year	**41,979,114**	19,680,217
Over 1 year	**13,488,279**	5,857,515
	174,511,080	176,316,039

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

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2026 *RMB* (Unaudited)	As at 31 December 2025 *RMB* (Audited)
Deposits and other receivables	**10,958,140**	9,563,891
Less: Provision for impairment	**(133,954)**	(499,841)
	10,824,186	9,064,050
Prepayments	**51,206,448**	33,662,043
	62,030,634	42,726,093
Less: Non-current portion of prepayments, deposits and other receivables	**(14,713,863)**	(13,426,631)
	47,316,771	29,299,462

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.

13. TRADE AND BILLS PAYABLES

	As at 30 June 2026 *RMB* (Unaudited)	As at 31 December 2025 *RMB* (Audited)
Trade payables	**92,581,756**	138,899,147
Bills payables	**18,200,000**	–
	110,781,756	138,899,147

As at 30 June 2026, the bills payables were pledged by a deposit of RMB20,000,000 (2025: Nil) 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:

	As at 30 June 2026 *RMB* **(Unaudited)**	As at 31 December 2025 *RMB* (Audited)
Within 3 months	**60,774,376**	104,188,612
Over 3 months but within 6 months	**11,666,125**	19,019,032
Over 6 months but within 1 year	**14,601,588**	8,978,213
Over 1 year	**5,539,667**	6,713,290
	92,581,756	138,899,147

14. OTHER PAYABLES AND ACCRUALS

	As at 30 June 2026 *RMB* **(Unaudited)**	As at 31 December 2025 *RMB* (Audited)
Deposits received	**65,054,154**	69,008,072
Construction payables	**7,059,781**	32,086,028
Payable for acquisition of property, plant and equipment	**4,040,578**	–
Other operating expenses payables and accruals	**16,404,740**	12,614,226
Other tax payables *(Note)*	**4,489,588**	8,431,964
	97,048,841	122,140,290
Less: Non-current portion of other payables and accruals	**(9,840,000)**	(11,970,000)
	87,208,841	110,170,290

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

15. INTEREST-BEARING BANK BORROWINGS

	As at 30 June 2026	As at 31 December 2025
	RMB	*RMB*
	(Unaudited)	(Audited)
Bank borrowings included in current liabilities	**195,603,483**	170,000,000
Bank borrowings included in non-current liabilities	**77,849,307**	52,696,455
	273,452,790	222,696,455

As at 30 June 2026, bank borrowings denominated in RMB included the following:

- Amounts of RMB185,000,000 being guaranteed by a subsidiary of the Company and personal guarantee from Directors, with fixed interest rate from 2.50% to 3.00% per annum and repayable within one year.

- Amounts of RMB10,000,000 being unsecured and unguaranteed, with fixed interest rate at 2.35% per annum and repayable in February 2027.

- Amounts of RMB78,452,790 being secured by a land use right with carrying amount of RMB39,393,594, which was recognised as right-of-use assets. Upon obtaining the building ownership certificate, the properties will be charged as a security.

  Besides, it was 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 borrowing were repayable as follows:

	RMB
Within one year	603,483
More than one year, but not exceeding two years	8,448,762
More than two years, but not exceeding five years	54,313,470
More than five years	15,087,075
Total	78,452,790

As at 30 June 2026, amounts of RMB178,452,790 included in above bank borrowings are subject to annual review of certain financial covenant terms in relation to maintaining a minimum debt-asset ratio requirement (based on audited financial statements) of the Company, otherwise the bank would have a right to demand an early repayment of the loan.

Amounts of RMB253,452,790 contained a cross default clause, stipulating that borrowings would be deemed in default upon the default of any other bank borrowings.

During the Period, the Group had not breached any financial covenant terms.

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 being secured by a land use right with carrying amount of RMB39,806,814, which was recognised as right-of-use assets. Upon obtaining the building ownership certificate, the properties will be charged as a security.

  Besides, it was 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 borrowing 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	22,696,455
Total	52,696,455

These bank borrowings are subject to annual review of certain financial covenant terms in relation to maintaining a minimum debt-asset ratio requirement (based on audited financial statements) of the Company, otherwise the bank would have a right to demand an early repayment of the loan.

These bank borrowings contained a cross default clause, stipulating that borrowings would be deemed in default upon the default of any other bank borrowings.

During the year ended 31 December 2025, the Group had not breached any financial covenant terms.

16. SHARE CAPITAL

	Number of shares	*RMB*
Registered domestic shares capital and H Shares		
At 31 December 2025 and 30 June 2026	133,400,000	133,400,000

17. RELATED PARTY DISCLOSURES

(a) Transactions with related parties

	Six months ended 30 June	
	2026	2025
	RMB	*RMB*
	(Unaudited)	(Unaudited)
Sale of work uniform to:		
– Fellow subsidiaries	**596,616**	–

Compensation of key management personnel

The remuneration of Directors, supervisors and other members of key management during the period was as follows:

	Six months ended 30 June	
	2026	2025
	RMB	*RMB*
	(Unaudited)	(Unaudited)
Salaries and other short-term benefits	**2,387,099**	2,205,333
Contributions to defined contribution retirement plan	**111,964**	49,607
	2,499,063	2,254,940

(b) Amount due to a joint venture

Amount represented payable for investment cost in a joint venture.

(c) Amount due to a substantial shareholder

The Company entered into the trademark licensing agreements ("**Agreements**") with Shanshan Group Co., Ltd. ("**Shanshan Group**"), pursuant to which Shanshan Group agreed to grant to the Group the exclusive license to use the licensed trademarks for its business operations, as well as the right to authorise third parties to use the licensed trademarks solely for the purpose of business operation of the Group. The Agreements have a term of four years commencing from 1 January 2026 to 31 December 2029.

Amount was unsecured, interest-free and repayable according to the Agreements as below:

	RMB
Within 1 year	1,415,094
More than one year, but not exceeding two years	1,556,603
More than two years, but not exceeding five years	2,547,170
	5,518,867

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

HKFRS 13 requires disclosures for financial instruments that are measured at fair value by levels of the fair value measurement hierarchy. The different levels have been defined as follows:

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The financial assets and liabilities measured at fair value as at 30 June 2026 and 31 December 2025 in the unaudited condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	Level 1	**Level 2**	**Level 3**	**Total**
	RMB	***RMB***	***RMB***	***RMB***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
30 June 2026				
Assets				
Financial assets at fair value through other comprehensive income				
– Bills receivables *(Note a)*	**–**	**164,917**	**–**	**164,917**
Financial assets at fair value through profit or loss				
– Listed equity investments *(Note b)*	**264,115**	**–**	**–**	**264,115**

	Level 1	Level 2	Level 3	Total
	RMB	*RMB*	*RMB*	*RMB*
	(Audited)	(Audited)	(Audited)	(Audited)
31 December 2025				
Assets				
Financial asset at fair value through other comprehensive income				
– Bills receivables *(Note a)*	–	144,164	–	144,164
Financial assets at fair value through profit or loss				
– Listed equity investments *(Note b)*	487,967	–	–	487,967

Notes:

(a) The fair value of the bills receivables have been calculated by discounting the expected future cash flows using rate currently available for instruments with similar terms, credit risk and remaining maturities.

(b) The listed equity investments at fair values is denominated in RMB. Fair values have been determined by reference to its quoted market prices at the reporting date.

During the six months ended 30 June 2026 and 2025, there have been no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

19. COMMITMENTS

(a) Operating lease commitments

The operating lease commitments are all related to short-term leases which are exempted from recognising the related 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 conditions as stipulated in the respective agreements. As the future revenue of these retail stores could not be accurately determined as at the end of the reporting period, 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:

	As at 30 June 2026	As at 31 December 2025
	RMB	*RMB*
	(Unaudited)	(Audited)
Not later than one year	**5,175,517**	5,850,182

(b) Capital commitments

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

	As at 30 June 2026	As at 31 December 2025
	RMB	*RMB*
	(Unaudited)	(Audited)
Contracted, but not provided for:		
– Acquisition of property, plant and equipment	**–**	1,486,540
– Construction of the Project	**29,900,630**	55,832,811
– Extend the licensing period of certain trademark	**–**	6,600,000
	29,900,630	63,919,351

20. CONTINGENT LIABILITIES

As at 30 June 2026 and 31 December 2025, the Group had no significant contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2026, the external environment for the global textile and apparel industry was complex and volatile. Geopolitical conflicts, coupled with ongoing inventory destocking in overseas markets, led to an overall weak foreign trade market. Domestic consumer sentiment became more rational and cautious, and market demand showed significant stratification and polarization. Only the sportswear and functional apparel categories, as well as those offering high value for money, maintained a certain degree of demand resilience, while the recovery of traditional men's business attire remained sluggish. Data from the National Bureau of Statistics shows that from January to June, operating revenue for large-scale textile, apparel, and fashion enterprises fell by 2.8% year-on-year, while total profits declined by 28.0% year-on-year, indicating a significant narrowing of the industry's profit margins and a fragile foundation for recovery. Currently, the industry's traffic dividend is gradually peaking, and the logic of market competition is undergoing a fundamental shift. The focus of competition has shifted comprehensively to a contest of comprehensive strength across the entire industrial chain, including product research and development, supply chain management, brand value building, and digital operations.

For the Period, the Group continued to advance refined reforms to its channel structure amid an environment of weak end-consumer demand in the apparel industry and intensifying market competition, prudently reviewed its national market layout, proactively withdrew from inefficient markets that had long shown weak performance, orderly closed underperforming and persistently unprofitable stores, restructured its distributor channels, concentrated resources on core commercial districts and key advantageous regions, and continued to optimize the overall channel layout structure. At the same time, the Group continued to optimize its live-streaming e-commerce business and adjust the allocation of online marketing resources, driving improvements in the quality and efficiency of end-user sales. However, external factors—including industry-wide demand pressures, cautious consumer sentiment, and intensifying homogenized competition in offline channels—continued to impact retail sales. Combined with the Group's proactive channel rationalization and structural optimization during the Period, these factors led to a short-term contraction in revenue, resulting in a slight decline in gross profit and a decrease in profit during the Period. During the Period, the Group achieved operating revenue of RMB387.9 million, a decrease of approximately 8.8% compared to the same period in 2025; profit attributable to owners of the Company and total comprehensive income amounted to RMB3.0 million, a decrease of approximately 75.2% compared to the same period in 2025.

During the Period, the Group, as the Exclusive Partner for Suits in China's fashion trend releases, made its debut at the 2026 China International Fashion Week. Under the theme "Gathering Momentum," the Group sought to redefine the design aesthetics of men's business attire by blending cultural heritage, aesthetic value, and commercial potential. Adhering to the strategic framework of "Pragmatism and Innovation, Quality and Growth", the Company launched the 5G New-Quality Productivity Industrial Park, incubated the new fashion-sports brand OakAura, and continued to advance comprehensive upgrades across products, brands, channels, talent, management, and operations. The Company deepened efforts to build brand value and refine core product competitiveness, thereby strengthening Shanshan Suits' professional brand advantages and its influence as a national brand.

During the Period, the Group's Shanshan Brand 5G New-Quality Productivity Industrial Park Project, located in Wangchun Industrial Park, Haishu District, Ningbo City, Zhejiang Province, officially commenced operations. It will focus on the smart manufacturing of core product categories—high-end suits and shirts—continuously supplying the Group's omni-channel marketing network with high-quality, high-value-for-money products, thereby strengthening the brand's market competitiveness.

During the Period, the Group continued to optimize its omni-channel retail footprint by proactively closing underperforming and unprofitable stores and streamlining low-quality channels, while concentrating resources on core commercial districts and key cities. Through a series of effective measures, the Group adjusted the number of its retail stores from 584 as of 31 December 2025, to 526 as of 30 June 2026, including 354 FIRS stores and 172 SHANSHAN stores, representing a decrease of approximately 9.9%. The Group deepened its presence in key markets where it holds a competitive advantage, comprehensively upgraded its store branding system, focused on improving single-store efficiency and staff productivity, and advanced reforms to enhance channel quality. In terms of digital transformation, the Group iterated its live-streaming, launched live-streaming pilot programs at flagship stores, accelerated the digital and intelligent upgrade of its marketing network, and utilized digital and artificial intelligence tools to broaden online marketing scenarios, precisely target specific customer segments, and expand the brand's market reach.

FINANCIAL REVIEW

Revenue

The Group's revenue is mainly derived from sales to distributors, direct sales and franchisee sales. For the Period, the Group's total revenue slightly decreased by approximately 8.8% to RMB387.9 million from RMB425.2 million for the six months ended 30 June 2025, primarily attributable to the Group's (i) optimization of its e-commerce business and adjustments to the allocation of online marketing resources, resulting in a decline in revenue generated from e-commerce platforms during the Period; and (ii) the continued optimization of its omni-channels retail footprint, which led to decreases of 34.5% and 21.2% in sales to distributors and franchisees, respectively.

Revenue by sales channels

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

	Six months ended 30 June			
	2026		2025	
	RMB'000	*%*	*RMB'000*	*%*
	(unaudited)		(unaudited)	
Sales to distributors	**20,620**	**5.3**	31,487	7.4
Direct sales				
E-commerce platforms	**109,639**	**28.3**	146,022	34.3
Self-operated retail stores	**88,823**	**22.8**	73,348	17.3
Franchisee sales				
Cooperation arrangement	**62,258**	**16.1**	78,999	18.6
Work uniform	**52,769**	**13.6**	44,627	10.5
Trademark sub-licensing income	**53,786**	**13.9**	50,730	11.9
Total	**387,895**	**100**	425,213	100

Revenue by brands

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

	Six months ended 30 June			
	2026		2025	
	RMB'000	*%*	*RMB'000*	*%*
	(unaudited)		(unaudited)	
FIRS	**260,672**	**67.2**	286,982	67.5
SHANSHAN	**126,766**	**32.7**	136,070	32.0
Others	**457**	**0.1**	2,161	0.5
Total	**387,895**	**100**	425,213	100

Gross profit

As a result of the foregoing, the Group's gross profit decreased by approximately 8.1% to RMB164.6 million for the Period from RMB179.1 million for the six months ended 30 June 2025, which was primarily due to the decrease in revenue during the Period.

Other revenue

Other revenue mainly comprises sales of raw materials and interest income from banks. The Group's other revenue decreased by approximately 33.3% to RMB0.2 million for the Period from RMB0.3 million for the six months ended 30 June 2025, which was primarily attributable to the Group's decrease in raw material sales.

Other gains and losses, net

During the Period, the Group decreased from other gains of RMB1.1 million for the six months ended 30 June 2025 to other losses of RMB0.7 million for the Period, primarily attributable to a one-off gain of RMB0.8 million arising from lease modifications recognised during the six months ended 30 June 2025, while no such gain was recognised during the Period.

Selling and distribution expenses

Selling and distribution expenses mainly include the Group's commission sharing with franchisees, store and e-commerce expenses, staff costs, advertising and promotional expenses, renovation costs and depreciation on property, plant and equipment and right-of-use assets.

For the Period, the Group's selling and distribution expenses decreased by approximately 7.9% to RMB136.0 million from RMB147.6 million for the six months ended 30 June 2025, which was primarily attributable to: (i) the decrease in franchisee-related expenses resulting from the decline in revenue generated from franchisee channels under cooperative arrangements; and (ii) the continued optimization of its live-streaming e-commerce business through adjustments to the allocation of online marketing resources, which led to a reduction in online paid advertising and promotion expenses.

Administrative expenses

Administrative expenses mainly include employee costs, travel expenses, office rental expenses and legal and professional fees of the Group that are administrative in nature.

For the Period, the Group's administrative expenses increased by approximately 11.8% to RMB20.9 million from RMB18.7 million for the six months ended 30 June 2025, which was mainly due to the expansion of the Group's smart industrial park team that led to an increase in compensation, benefits, and related employee costs for new employees.

(Provision for)/reversal of impairment loss on trade receivables, net

Provision for impairment loss on trade receivables of RMB1.5 million was recorded for the Period as compared with reversal of impairment loss of RMB3.4 million for the six months ended 30 June 2025.

Reversal of impairment loss on deposits and other receivables, net

Reversal of impairment loss on deposits and other receivables were at RMB0.4 million for the Period, compared with a reversal of impairment loss of RMB0.1 million for the six months ended 30 June 2025.

Finance costs

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

Finance costs of the Group decreased by approximately 30.4% from RMB2.3 million for the six months ended 30 June 2025 to RMB1.6 million for the Period, which was mainly attributable to lower interest rates on bank borrowings and capitalisation of certain financial costs.

Income tax expense

Income tax expense mainly represents the income tax payable by the Group in accordance with the relevant PRC income tax laws and regulations. Income tax expense for the Period was RMB1.7 million (six months ended 30 June 2025: RMB3.6 million).

Profit for the Period

The Group's profit decreased by 75.2% from RMB12.1 million for the six months ended 30 June 2025 to RMB3.0 million for the Period, which was primarily attributable to the decline in revenue, which resulted in a decrease in gross profit during the Period.

WORKING CAPITAL MANAGEMENT

	Six months ended 30 June 2026	Year ended 31 December 2025
Average inventory turnover days	**174**	173
Average trade receivables turnover days	**82**	88
Average trade payables turnover days	**101**	123

The Group's average inventory turnover days increased marginally from 173 days for the year ended 31 December 2025 to 174 days for the Period, which remained relatively stable.

The Group's average trade receivables turnover days decreased from 88 days for the year ended 31 December 2025 to 82 days for the Period,which remained relatively stable.

The average trade payables turnover days of the Group decreased from 123 days for the year ended 31 December 2025 to 101 days for the Period, which was primarily attributable to a decrease in inventory purchases, which resulted in a reduction in trade payables due to suppliers.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, the Group's cash and cash equivalents amounted to approximately RMB82.2 million (approximately RMB110.1 million as at 31 December 2025). The Group's cash and cash equivalents were mainly denominated in RMB as at 30 June 2026.

As at 30 June 2026 and 31 December 2025, total bank borrowings of the Group amounted to approximately RMB273.5 million and RMB222.7 million, respectively. All bank borrowings for the Period and as at 30 June 2026 and 31 December 2025 were denominated in RMB. Details of the bank borrowings of the Group are set out in note 15 to the Condensed Consolidated Interim Financial Statements contained in the Announcement. The Group's gearing ratio (total borrowings over total assets of the Group) was approximately 34.5% and 28.1% as at 30 June 2026 and 31 December 2025, respectively.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Period. 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 to ensure that the Group would meet its cash requirements from time to time.

FOREIGN EXCHANGE RISK AND HEDGING

Most of the transactions of the Group are denominated in RMB. The payment of any dividends to the holders of the H Shares were or will be made in Hong Kong dollars, which expose the Group to market risks arising from changes in foreign exchange rates.

INTERIM DIVIDEND

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

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2026, the Group had 527 employees (30 June 2025: 272 employees), the increase in the number of employees was primarily due to the commencement of operations at the Group's smart manufacturing park and the corresponding expansion of the production and operations teams. Employee costs, including Directors' emoluments, amounted to approximately RMB24.2 million for the Period (six months ended 30 June 2025: RMB20.9 million). The remuneration policy for the Directors and senior management is based 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 individual performance of the Directors and 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 senior management with reference to the salaries paid by comparable companies in the market, time commitment and responsibilities of the Directors and the senior management as well as the financial performance of the Group.

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 Period.

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 were 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 30 June 2026, the Company had entered into contracts related to the construction of an industrial park project (including Land Use Rights fees) with a total value of RMB227,399,956. The relevant factory buildings have been completed and are currently in operation. However, certain interior fitting-out works remain outstanding and certain machinery and equipment have yet to be procured and installed. Save as disclosed above, the Company had no plan for material investments or capital assets as at 30 June 2026. 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 30 June 2026 as compared with that as at 31 December 2025.

PLEDGE OF ASSETS

As at 30 June 2026, the Group pledged deposits of RMB21.8 million as guarantee deposits for bills payables and guarantee deposits for a performance bond for work uniforms (31 December 2025: RMB2.6 million as guarantee deposits for the industrial park project construction and a performance bond for work uniforms), and the Group's bank borrowings of RMB78.5 million (31 December 2025: RMB52.7 million) were secured by the Group's Land Use Rights. Save for the aforementioned pledged deposits, the Group did not pledge other assets.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group had no material contingent liabilities (31 December 2025: Nil).

EVENTS AFTER THE PERIOD

There was no significant event that might affect the Group subsequent to the Period and up to the date of this announcement.

OUTLOOK AND PLANS

In the second half of 2026, faced with a new landscape in the apparel industry characterized by intensifying competition and a shift in growth drivers from scale to systemic efficiency and quality, the Group will adhere to its two medium- to long-term strategic goals. Adopting "Pragmatic Innovation and Quality-Driven Growth" as its operational theme for 2026, the Group will continue to implement the "Two New Initiatives and Six Qualities" overall strategic plan. With profit growth as the core focus, the Group will comprehensively enhance quality across six key dimensions—products, brands, channels, talent, management, and operations. The Group will continue to optimize its business policies and implement numerous measures for refined operations, making every effort to ensure the stable operation of the Group's fundamental business performance amid a market environment characterized by intensifying external industry pressures.

At the product level, the Group has thoroughly implemented its core strategy of "suit as the flagship product", maintaining product quality enhancement as the foundation of its core competitiveness, and continuously strengthening its professional barriers in suits and the perceived value of its products. Keeping pace with consumer trends and scenario-based styling needs, the Group has actively expanded into emerging product lines such as casual outdoor wear while deepening its focus on the casual business series. This has enabled the Group to build a diversified product matrix featuring leading core products, a rich portfolio of complementary offerings, and ample reserves of emerging products. Through in-depth research and development of fit data, collaborative upstream fabric development, and iterative upgrades to production processes, the Group has continuously enhanced product quality and core competitiveness.

On the production front, the Group is accelerating the empowerment of smart manufacturing through the construction and operation of the 5G New-Quality Productivity Industrial Park, driving the Group's transition from product-centric operations to value-chain management. The industrial park integrates multifunctional segments such as smart production, new retail livestreaming hubs, and brand incubation and operations, establishing itself as a benchmark for digital smart manufacturing in the domestic men's apparel sector. As the park gradually reaches full production capacity, the Group will comprehensively optimize product quality control, enhance supply chain responsiveness, and shorten delivery cycles. This will enable the Group to continuously supply high-quality, value-for-money core products—such as suits and shirts—to its omni-channel network.

In terms of operational management, the Group will fully implement measures to enhance talent quality, management standards, and operational excellence, continuously strengthening organizational capabilities and the foundation of its business. By refining talent pipeline development, strengthening the recruitment and cultivation of core talent, and optimizing organizational collaboration mechanisms, the Group will break down departmental barriers and improve cross-departmental coordination efficiency. Leveraging the iterative updates to its digital management systems, the Group will optimize end-to-end business process control to enhance overall operational efficiency and execution capabilities.

The Group will strictly implement its annual overall strategic plan and various operational initiatives, steadily advancing core initiatives such as brand building, product innovation, channel upgrades, digital and intelligent industry empowerment, and the incubation of new brands. The Group will steadily enhance our brand's soft power and the value of our core corporate assets, moving steadily toward its long-term strategic goals of "securing the top market share in China's men's suit sector and reclaiming the leading position in the Chinese men's apparel market", rewarding all Shareholders, employees, and consumers with sound and high-quality business results.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board and the Company's management are committed to maintaining high standards of corporate governance. The Board firmly believes that conducting the Group's business in a transparent and responsible manner and following good corporate governance practices serve its long-term interests and the interests of Shareholders. The Board considers that the Company has complied with all the code provisions of the Corporate Governance Code as contained in Part 2 of Appendix C1 to the Listing Rules (the "**CG Code**") during the Period except for the following deviation:

Pursuant to code provision 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 has not established any position under the title "chief executive officer". However, Mr. Luo Yefei, an executive Director and the chairman of the Board, 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.

AUDIT COMMITTEE

The Audit Committee comprises all three independent non-executive Directors, namely Mr. Chow Ching Ning (being the chairman of the Audit Committee), Mr. Wang Yashan and Mr. Wu Xuekai. The Audit Committee has reviewed and agreed with the Group's unaudited condensed consolidated interim results for the Period and this announcement.

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

The Company did not redeem any of its H Shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such H Shares (including sale of treasury shares, if any) during the Period. As at 30 June 2026 and up to the date hereof, the Company does not hold any treasury shares.

COMPLIANCE WITH MODEL CODE

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 for dealing in securities of the Company by the Directors and the former supervisors of the Company (the "**Former Supervisors**"). In response to specific enquiries made by the Company to each of the Directors and the Former Supervisors, all the Directors and the Former Supervisors confirmed that they had complied with the Model Code during the Period.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for the Period will be published on the respective websites of the Stock Exchange at https://www.hkexnews.hk/ and the Company at https://chinafirs.com/, 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, 26 August 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 (Employee Director)
Mr. Wang Mingming

Independent Non-executive Directors:
Mr. Chow Ching Ning
Mr. Wang Yashan
Mr. Wu Xuekai