

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

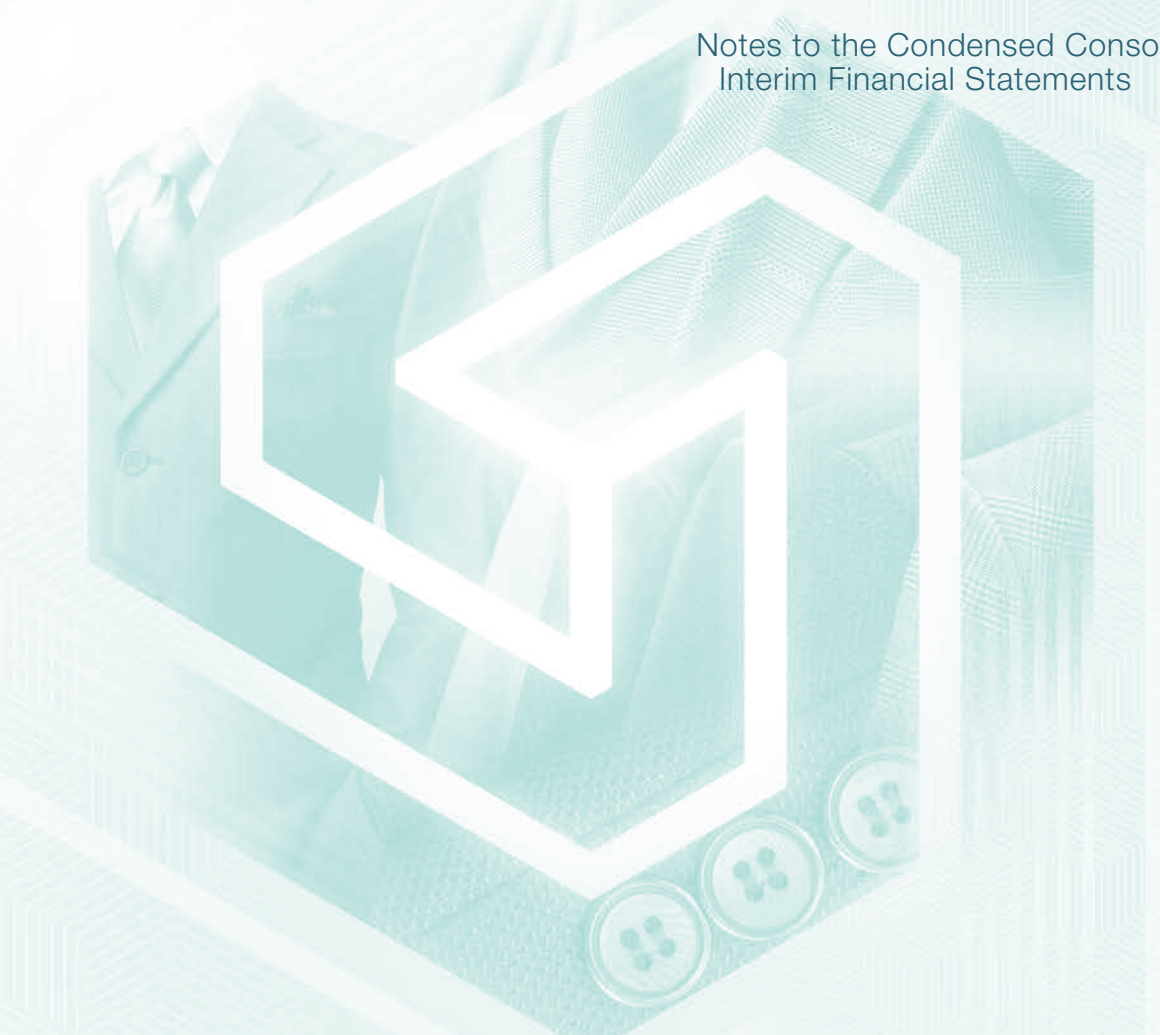
2026

INTERIM REPORT



Contents

	Page
Corporate Information	2
Management Discussion and Analysis	4
Corporate Governance and Other Information	15
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	22
Condensed Consolidated Statement of Financial Position	23
Condensed Consolidated Statement of Changes in Equity	25
Condensed Consolidated Statement of Cash Flows	26
Notes to the Condensed Consolidated Interim Financial Statements	27



Corporate Information

CORPORATE NAME

Shanshan Brand Management Co., Ltd.

LISTING INFORMATION

Place of listing: Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)
Stock code: 1749

BOARD OF DIRECTORS

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

JOINT COMPANY SECRETARIES

Ms. Yan Jingfen
Ms. Cheng Lucy

AUTHORISED REPRESENTATIVES

Ms. Yan Jingfen
Ms. Cheng Lucy

BOARD COMMITTEES

Audit Committee

Mr. Chow Ching Ning (Chairman)
Mr. Wang Yashan
Mr. Wu Xuekai

Remuneration Committee

Mr. Wang Yashan (Chairman)
Ms. Yan Jingfen
Mr. Wu Xuekai

Nomination Committee

Mr. Wu Xuekai (Chairman)
Ms. Zhou Yumei
Mr. Wang Yashan

REGISTERED OFFICE AND HEADQUARTERS IN THE PEOPLE'S REPUBLIC OF CHINA (THE “PRC”)

238 Yunlin Middle Road
Wangchun Industrial Park
Ningbo, Zhejiang Province
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F., 148 Electric Road
North Point
Hong Kong

COMPANY'S WEBSITE

<http://www.chinafirs.com>

INDEPENDENT AUDITOR

BDO Limited
*Certified Public Accountants and
Public Interest Entity Auditor*
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

LEGAL ADVISERS

As to Hong Kong law
DLA Piper Hong Kong
25/F, Three Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC law
Shu Jin Law Firm
11-12/F, Taiping Finance Tower
6001 Yitian Road
Futian District
Shenzhen
Guangdong Province
The PRC

PRINCIPAL BANKERS

Shanghai Pudong Development Bank
Ningbo Yinzhou Sub-branch
Bank of China
Ningbo Yinzhou Sub-branch
China Construction Bank
Ningbo Sub-branch

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F
148 Electric Road
North Point
Hong Kong

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 six months ended 30 June 2026 (the “**Period**”), Shanshan Brand Management Co., Ltd. (the “**Company**”) and its subsidiaries (collectively, 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.



Management Discussion and Analysis

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 (unaudited)	%	RMB'000 (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

Management Discussion and Analysis

Revenue by brands

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

	Six months ended 30 June			
	2026		2025	
	RMB'000 (unaudited)	%	RMB'000 (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.

Management Discussion and Analysis

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 Renminbi ("**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 this report. 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 of directors of the Company (the "**Directors**" and the "**Board**", respectively) 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 overseas-listed foreign shares of the Company (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).

Management Discussion and Analysis

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 report.

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.

Management Discussion and Analysis

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 of the Company (the "**Shareholders**"), employees, and consumers with sound and high-quality business results.

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “SFO”)) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) were as follows:

Long positions in the domestic shares of the Company (the “Domestic Shares”)

Name of Directors/ Chief Executive	Class of Shares	Capacity/ Nature of Interests	Number of Shares Interested	Approximate Percentage of Shareholding in the Relevant Class of Shares	Approximate Percentage of Shareholding in the Total Shares
Mr. Luo Yefei (“Mr. Luo”) (Note 1)	Domestic Shares	Interest of a controlled corporation/ Corporate interest; Interest of spouse/Family interest; Beneficial owner/Personal interest	52,021,000	52.021%	38.996%
Ms. Zhou Yumei (“Ms. Zhou YM”) (Notes 1 & 2)	Domestic Shares	Interest of a controlled corporation/ Corporate interest; Interest of spouse/Family interest	52,021,000	52.021%	38.996%

Notes:

- Mr. Luo, an executive Director and the chairman of the Board (the “Chairman”), was interested in and was deemed to be interested in 52,021,000 Domestic Shares within the meaning of Part XV of the SFO, which represents 52.021% of the total number of issued Domestic Shares and 38.996% of the total number of issued shares of the Company. It comprises (i) 14,674,000 Domestic Shares directly owned by Mr. Luo; (ii) 13,335,000 Domestic Shares beneficially owned by Shaanxi Maoye Gongmao Co., Ltd.* (陝西茂業工貿有限公司) (“Shaanxi Maoye”), a company owned as to 80% by Mr. Luo and 20% by Ms. Zhou YM, the wife of Mr. Luo. Ms. Zhou YM is also the sole director of Shaanxi Maoye (by virtue of the SFO, each of Mr. Luo and Ms. Zhou YM is deemed to be interested in the Domestic Shares held by Shaanxi Maoye); and (iii) 24,012,000 Domestic Shares beneficially owned by Ningbo Liankangcai Brand Management Co., Ltd.* (寧波聯康財品牌管理有限責任公司) (“Ningbo Liankangcai”), a company owned as to 65.10% by Mr. Luo.
- Ms. Zhou YM is an executive Director and the wife of Mr. Luo. By virtue of the SFO, Ms. Zhou YM is deemed to be interested in the same number of Domestic Shares in which Mr. Luo is interested in.

Save as disclosed above and so far as is known to the Directors, as at 30 June 2026, none of the Directors or chief executive of the Company had or was deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

* for identification purpose only

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

As at 30 June 2026, so far as was known to or otherwise notified to any Directors or the chief executive of the Company, the following corporations or persons (other than the Directors or chief executive of the Company) which or who had interests or short positions in the shares and the underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in the Domestic Shares

Name of Substantial Shareholders	Class of Shares	Capacity/ Nature of Interests	Number of Shares Interested		Approximate Percentage of Shareholding in the Relevant Class of Shares	Approximate Percentage of Shareholding in the Total Shares
Ningbo Shanshan Co., Ltd. ("Shanshan") (Notes 2&10)	Domestic Shares	Beneficial owner/ Personal interest	25,834,600	}	43.774%	32.814%
	Domestic Shares	Person having security interest/ other interest	17,938,931			
Shanshan Group Co., Ltd. ("Shanshan Group") (Notes 3&10)	Domestic Shares	Interest of a controlled corporation/ Corporate interest	25,834,600	}	43.774%	32.814%
	Domestic Shares	Interest of a controlled corporation/ Corporate interest	17,938,931			
Ningbo Yonggang Clothing Investment Co., Ltd. ("Ningbo Yonggang") (Notes 5&10)	Domestic Shares	Interest of a controlled corporation/ Corporate interest	25,834,600	}	43.774%	32.814%
	Domestic Shares	Interest of a controlled corporation/ Corporate interest	17,938,931			
Shanshan Holding Co., Ltd. ("Shanshan Holding") (Notes 5&10)	Domestic Shares	Interest of a controlled corporation/ Corporate interest	25,834,600	}	43.774%	32.814%
	Domestic Shares	Interest of a controlled corporation/ Corporate interest	17,938,931			
Ningbo Qinggang Investment Co., Ltd. ("Qinggang Investment") (Notes 6&10)	Domestic Shares	Interest of a controlled corporation/ Corporate interest	25,834,600	}	43.774%	32.814%
	Domestic Shares	Interest of a controlled corporation/ Corporate interest	17,938,931			

Corporate Governance and Other Information

Name of Substantial Shareholders	Class of Shares	Capacity/ Nature of Interests	Number of Shares Interested	Approximate Percentage of Shareholding in the Relevant Class of Shares	Approximate Percentage of Shareholding in the Total Shares
The late Mr. Zheng Yonggang ("Mr. Zheng") (Notes 1, 7&10)	Domestic Shares	Interest of a controlled corporation/ Corporate interest	25,834,600	63.182%	47.363%
	Domestic Shares	Interest of a controlled corporation/ Corporate interest	37,347,000		
Ms. Zhou Jiqing ("Ms. Zhou") (Notes 7&10)	Domestic Shares	Interest of a controlled corporation/ Corporate interest	25,834,600	43.774%	32.814%
	Domestic Shares	Interest of a controlled corporation/ Corporate interest	17,938,931		
Ningbo Liankangcai (Note 8)	Domestic Shares	Beneficial owner/ Personal interest; Person providing security interest/ Other interest	24,012,000	24.012%	18.000%
Shaanxi Maoye (Note 9)	Domestic Shares	Beneficial owner/ Personal interest	13,335,000	13.335%	9.996%
Ms. Zhao Yongzhi	Domestic Shares	Beneficial owner/ Personal interest	12,806,400	12.806%	9.600%
Mr. Zhang Jincan	Domestic Shares	Beneficial owner/ Personal interest	6,670,000	6.670%	5.000%

Notes:

- (1) Mr. Zheng passed away on 10 February 2023.
- (2) Shanshan is a joint stock company with limited liability established in the PRC, whose issued shares are listed on the Shanghai Stock Exchange (stock code: 600884). Based on the information of disclosure of interests on the Stock Exchange, Shanshan is owned as to approximately 34.55% by Shanshan Group, approximately 9.07% by Ningbo Pengze Trading Co., Ltd.* (寧波朋澤貿易有限公司) ("Pengze Trading") (a corporation of which Shanshan Group is interested in 100% of its registered capital), approximately 3.19% by Shanshan Holding, approximately 3.44% by Ningbo Yinzhou Jielun Investment Co., Ltd.* (寧波市鄞州捷倫投資有限公司) (a corporation of which Shanshan Holding is interested in 100% of its registered capital), approximately 0.03% by the late Mr. Zheng and approximately 49.72% by other public shareholders. Based on the latest shareholding disclosure in Shanshan's 2025 annual report, the aforementioned shareholders respectively hold approximately 14.24%, approximately 9.13%, approximately 1.49%, approximately 1.32%, approximately 0.03%, and approximately 73.79% of the interests in Shanshan.

* for identification purpose only

Corporate Governance and Other Information

- (3) Shanshan Group is directly interested in approximately 34.55% (14.24% according to Shanshan's 2025 annual report) of the registered share capital of Shanshan and indirectly interested in approximately 9.07% (9.13% according to Shanshan's 2025 annual report) of the registered capital of Shanshan through Pengze Trading, and (together with Shanshan Holding) controls the majority of the board of directors of Shanshan. By virtue of the SFO, Shanshan Group is deemed to be interested in the same number of Domestic Shares in which Shanshan is interested.
- (4) Ningbo Yonggang is interested in approximately 10.00% (9.38% according to Shanshan's 2025 annual report) of the registered capital of Shanshan Group, and (together with Shanshan Holding) controls the majority of the board of directors of Shanshan. By virtue of the SFO, Ningbo Yonggang is deemed to be interested in the same number of Domestic Shares in which Shanshan is interested.
- (5) Shanshan Holding is directly interested in approximately 3.19% (1.49% according to Shanshan's 2025 annual report) of the registered share capital of Shanshan. Further, Shanshan Holding is indirectly interested in (a) approximately 34.55% (14.24% according to Shanshan's 2025 annual report) of the registered share capital of Shanshan through (i) Ningbo Yonggang (a corporation of which Shanshan Holding is interested in approximately 99.74% of its registered capital); and (ii) Shanshan Group (a corporation of which Shanshan Holding is directly interested in approximately 51.8% (54.81% according to Shanshan's 2025 annual report) and indirectly interested in approximately 10.00% (9.38% according to Shanshan's 2025 annual report) through Ningbo Yonggang); (b) approximately 9.07% (9.13% according to Shanshan's 2025 annual report) of the registered share capital of Shanshan through Pengze Trading (a wholly-owned subsidiary of Shanshan Group); and (c) approximately 3.44% (1.32% according to Shanshan's 2025 annual report) of the registered share capital of Shanshan through its wholly-owned subsidiary, Ningbo Yinzhou Jielun Investment Co., Ltd.* (寧波市鄞州捷倫投資有限公司). By virtue of the SFO, Shanshan Holding is deemed to be interested in the same number of Domestic Shares in which Shanshan is interested.
- (6) Qinggang Investment is interested in approximately 44.55% (40.54% according to Shanshan's 2025 annual report) of the registered capital of Shanshan Holding. By virtue of the SFO, Qinggang Investment is deemed to be interested in the same number of Domestic Shares in which Shanshan is interested.
- (7) Qinggang Investment is owned as to 51% by the late Mr. Zheng and 49% by Ms. Zhou. By virtue of the SFO, both the late Mr. Zheng and Ms. Zhou are deemed to be interested in the same number of Domestic Shares in which Shanshan is interested.
- (8) Ningbo Liankangcai is owned as to 65.10% by Mr. Luo. Mr. Mao Weiyong (a non-executive Director) holds 50% capital contribution in Ningbo Eggshell Enterprise Management Partnership (Limited Partnership)* (寧波蛋殼企業管理合夥企業(有限合夥)) ("**Eggshell Enterprise**"), which Eggshell Enterprise holds 19% equity interest in Ningbo Liankangcai. On 8 December 2023, Ningbo Liankangcai provided guarantee by 17,938,931 Domestic Shares in favour of Shanshan for the amounts payable to Shanshan.
- (9) Shaanxi Maoye is owned as to 80% by Mr. Luo, an executive Director and 20% by Ms. Zhou YM, an executive Director and the wife of Mr. Luo. By virtue of the SFO, each of Mr. Luo and Ms. Zhou YM is deemed to be interested in the Domestic Shares held by Shaanxi Maoye.
- (10) On 8 December 2023, Ningbo Liankangcai provided guarantee by 17,938,931 Domestic Shares to Shanshan for the amount payable to Shanshan.

* for identification purpose only

- (11) According to the latest information disclosed in Shanshan's 2026 interim report:

Shanshan is owned by Anhui Wanwei Group Co., Ltd.* (安徽皖維集團有限責任公司) ("**Wanwei Group**"), Pengze Trading, Shanshan Group, Shanshan Holdings, and other public shareholders, who hold approximately 13.50%, 4.75%, 3.63%, 1.45%, and 76.67% of the shares, respectively.

Wanwei Group is directly interested in approximately 13.50% of the registered share capital in Shanshan and has entered into an agreement with Pengze Trading and Shanshan Group to act in concert in exercising shareholder's rights, together they control 21.88% of the voting rights in Shanshan and control the majority of Shanshan's board of directors, making Wanwei Group as the controlling shareholder of Shanshan. By virtue of the SFO, Wanwei Group is deemed be interested in the same number of Domestic Shares in which Shanshan is interested.

Pengze Trading is directly interested in approximately 4.75% of the registered share capital in Shanshan and has entered into an agreement with Wanwei Group and Shanshan Group to act in concert in exercising shareholder's rights, together they control 21.88% of the voting rights in Shanshan. By virtue of the SFO, Pengze Trading is deemed be interested in the same number of Domestic Shares in which Shanshan is interested.

Shanshan Group is directly interested in approximately 3.63% of the registered share capital in Shanshan and has entered into an agreement with Wanwei Group and Pengze Trading to act in concert in exercising shareholder's rights, together they control 21.88% of the voting rights in Shanshan. By virtue of the SFO, Shanshan Group is deemed be interested in the same number of Domestic Shares in which Shanshan is interested.

Anhui Conch Group Co., Ltd.* (安徽海螺集團有限責任公司) ("**Conch Group**") holds an interest in approximately 60.00% of the registered capital of Wanwei Group and is the indirect controlling shareholder of Shanshan. By virtue of the SFO, Conch Group is deemed be interested in the same number of Domestic Shares in which Shanshan is interested.

Anhui Provincial Investment Group Holding Co., Ltd.* (安徽省投資集團控股有限公司) ("**Anhui Provincial Investment Group**") holds a direct interest in approximately 20% of the registered capital of Wanwei Group and in approximately 51.00% of the registered capital of Conch Group. By virtue of the SFO, Anhui Provincial Investment Group is deemed be interested in the same number of Domestic Shares in which Shanshan is interested.

Anhui Provincial State-owned Capital Operation Holdings Group Co., Ltd.* (安徽省國有資本運營控股集團有限公司) ("**Anhui State-Owned Capital Holdings Group**") holds a direct interest in approximately 20% of Wanwei Group's registered capital and, together with Conch Group and Anhui Provincial Investment Group, controls a majority of Wanwei Group's board of directors. By virtue of the SFO, Anhui State-Owned Capital Holdings Group is deemed be interested in the same number of Domestic Shares in which Shanshan is interested.

The State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government* (安徽省人民政府國有資產監督管理委員會) ("**Anhui SASAC**") holds an interest in approximately 20% of the registered capital of Anhui Investment Group and an interest in 20% of the registered capital of Anhui State-Owned Capital Holdings Group, and is the actual controller of Shanshan Co., Ltd. By virtue of the SFO, the Anhui SASAC is deemed be interested in the same number of Domestic Shares in which Shanshan is interested.

Therefore, by virtue of the SFO, Wanwei Group, Pengze Trading, Shanshan Group, Conch Group, Anhui Provincial Investment Group, Anhui State-Owned Capital Holdings Group, and the Anhui SASAC (through direct or indirect interests) are each deemed to have an interest in the Domestic Shares of Shanshan held as described above.

* for identification purpose only

Corporate Governance and Other Information

Save as disclosed above, as at 30 June 2026, so far as it was known to or otherwise notified to the Directors or the chief executive of the Company, there were no other corporations or persons (other than a Director or chief executive of the Company) which or who had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

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, an executive Director and 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.

AUDIT COMMITTEE

The audit committee of the Board (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 report.

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 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.

COMPETING INTERESTS

As at 30 June 2026, none of the Directors, the controlling shareholders of the Company or their respective close associates had any interests in any business which competed or might compete, either directly or indirectly, with the business of the Group or had any other conflicts of interest with the Group.

CHANGES IN INFORMATION OF DIRECTORS

Changes in the information of the Directors since the date of the Company's 2025 annual report as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules and up to the date of this report are set out below:

Since 8 June 2026, Mr. Mao Weiyong (a non-executive Director) was elected as an employee Director by the employee representatives meeting.

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

Ningbo, the PRC, 26 August 2026

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Notes	Six months ended 30 June	
		2026 RMB (Unaudited)	2025 RMB (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
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

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 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

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Share capital RMB	Capital reserve RMB	Statutory surplus reserve RMB	Merger reserve RMB	Proposed final dividend RMB	Accumulated profits RMB	Total equity RMB
At 31 December 2025 (Audited)	133,400,000	73,109,956	11,841,947	(41,226,670)	-	96,375,648	273,500,881
Transfer to statutory surplus reserve	-	-	163,112	-	-	(163,112)	-
Profit and total comprehensive income for the period	-	-	-	-	-	3,023,752	3,023,752
At 30 June 2026 (Unaudited)	133,400,000	73,109,956	12,005,059	(41,226,670)	-	99,236,288	276,524,633
At 31 December 2024 (Audited)	133,400,000	73,109,956	11,655,772	(41,226,670)	10,672,000	88,665,391	276,276,449
Dividends (Note 7a)	-	-	-	-	(10,672,000)	-	(10,672,000)
Transfer to statutory surplus reserve	-	-	1,213,808	-	-	(1,213,808)	-
Profit and total comprehensive income for the period	-	-	-	-	-	12,068,315	12,068,315
At 30 June 2025 (Unaudited)	133,400,000	73,109,956	12,869,580	(41,226,670)	-	99,519,898	277,672,764

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB (Unaudited)	RMB (Unaudited)
Cash flows from operating activities		
Cash used in operating activities	(36,526,874)	(32,441,716)
Income tax paid	(967,851)	(7,660,787)
Net cash used in operating activities	(37,494,725)	(40,102,503)
Cash flows from investing activities		
Interest received	151,536	90,065
Increase in pledged deposits	(19,249,035)	(1,150,000)
Purchase of property, plant and equipment	(7,039,288)	(19,074,966)
Purchase of intangible assets	(1,412,106)	—
Net cash used in investing activities	(27,548,893)	(20,134,901)
Cash flows from financing activities		
Interest paid	(1,283,338)	(2,705,776)
Proceeds from borrowings	133,756,335	61,241,911
Repayment of borrowings	(83,000,000)	(38,000,000)
Interest elements on lease rentals paid	(381,837)	(277,489)
Principal elements on lease rentals paid	(11,888,729)	(7,373,967)
Net cash generated from financing activities	37,202,431	12,884,679
Net decrease in cash and cash equivalents	(27,841,187)	(47,352,725)
Cash and cash equivalents at beginning of period	110,065,336	106,457,075
Cash and cash equivalents at end of period	82,224,149	59,104,350

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.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

2. BASIS OF PREPARATION (CONTINUED)

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.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

4. SEGMENT INFORMATION AND REVENUE (CONTINUED)

(a) Reportable segment (Continued)

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

(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.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

4. SEGMENT INFORMATION AND REVENUE (CONTINUED)

(d) Revenue

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

	Six months ended 30 June	
	2026 RMB (Unaudited)	2025 RMB (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 RMB (Unaudited)	2025 RMB (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.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

6. PROFIT BEFORE INCOME TAX

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

	Six months ended 30 June	
	2026 RMB (Unaudited)	2025 RMB (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)
(Reversal of written down)/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.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

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 (Unaudited)	RMB (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.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

8. INCOME TAX EXPENSE (CONTINUED)

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.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

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 RMB3,021,133 (six months ended 30 June 2025: RMB6,773,405).

11. TRADE AND BILLS RECEIVABLES

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

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.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

11. TRADE AND BILLS RECEIVABLES (CONTINUED)

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 RMB (Unaudited)	As at 31 December 2025 RMB (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
	<u>174,511,080</u>	<u>176,316,039</u>

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)
	<u>10,824,186</u>	<u>9,064,050</u>
Prepayments	51,206,448	33,662,043
	<u>62,030,634</u>	<u>42,726,093</u>
Less: Non-current portion of prepayments, deposits and other receivables	(14,713,863)	(13,426,631)
	<u>47,316,771</u>	<u>29,299,462</u>

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

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

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

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 RMB (Unaudited)	As at 31 December 2025 RMB (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

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

15. INTEREST-BEARING BANK BORROWINGS (CONTINUED)

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	<u>78,452,790</u>

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.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

15. INTEREST-BEARING BANK BORROWINGS (CONTINUED)

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	<u>22,696,455</u>
Total	<u>52,696,455</u>

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.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

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

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

17. RELATED PARTY DISCLOSURES (CONTINUED)

(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
	<u>5,518,867</u>

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.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

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

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

Notes:

- 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.
- 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 year ended 31 December 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.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

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 RMB (Unaudited)	As at 31 December 2025 RMB (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 RMB (Unaudited)	As at 31 December 2025 RMB (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

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

20. CONTINGENT LIABILITIES

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

21. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, the Group had no significant events from the end of the reporting period and up to the date of this report.