Mulsanne Group Holding Limited
慕尚集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1817)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

Financial Highlights

- Gross profit for the six months ended 30 June 2026 increased by 3.7% to approximately RMB537.0 million from RMB517.7 million for the same period in 2025. Gross profit margin increased by 3.2 percentage points to 56.6% from 53.4% for the same period in 2025. Such increase was primarily due to (i) lower discounted rates; (ii) optimization of the product mix and sales channel structures; and (iii) the improvement in directly-operated channel operation capabilities.

- Net profit for the six months ended 30 June 2026 amounted to RMB21.8 million, representing an increase of 144.9%, or RMB12.9 million, as compared to RMB8.9 million for the same period in 2025. Such increase was primarily due to (i) an increase in gross profit; (ii) the decrease of finance costs to RMB6.4 million for the six months ended 30 June 2026, as compared to RMB16.1 million for the same period in 2025, and (iii) refining the management and control over marketing expenditure and improving the efficiency of selling expenses.

- Net operating cash inflow for the six months ended 30 June 2026 increased by RMB147.3 million to approximately RMB85.7 million, as compared to net operating cash outflow of RMB61.6 million for the same period in 2025. Such increase was mainly driven by the Company's efforts to strengthen the collection of trade receivables and enhance overall working capital management, while optimizing procurement settlement arrangements and making appropriate use of settlement instruments, which led to a more balanced cash outflow schedule.

The board (the "**Board**") of directors (the "**Directors**") of Mulsanne Group Holding Limited (the "**Company**") is pleased to announce the interim results 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 same period in 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	**2026**	2025
		(Unaudited)	(Unaudited)
		RMB'000	*RMB'000*
REVENUE	*5*	**948,691**	969,076
Cost of sales		**(411,695)**	(451,345)
Gross profit		**536,996**	517,731
Other income and gains	*5*	**7,683**	13,451
Selling and distribution expenses		**(416,691)**	(415,267)
Administrative expenses		**(90,974)**	(83,269)
Impairment losses on financial assets, net		**358**	(782)
Other expenses		**(4,282)**	(2,611)
Finance costs	*7*	**(6,381)**	(16,054)
PROFIT BEFORE TAX	*6*	**26,709**	13,199
Income tax expense	*8*	**(4,896)**	(4,327)
PROFIT FOR THE PERIOD		**21,813**	8,872
Attributable to:			
Owners of the parent		**21,813**	8,872
Non-controlling interests		**–**	–
		21,813	8,872
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	*10*	**RMB2.39 cents**	RMB0.97 cents
Diluted	*10*	**RMB2.39 cents**	RMB0.97 cents

	2026 (Unaudited) *RMB'000*	2025 (Unaudited) *RMB'000*
PROFIT FOR THE PERIOD	**21,813**	8,872
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(7,154)**	(168)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company's financial statements into presentation currency	**6,654**	1,255
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	**(500)**	1,087
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**21,313**	9,959
Attributable to:		
Owners of the parent	**21,313**	9,959
Non-controlling interests	**–**	–
	21,313	9,959

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	**30 June 2026 (Unaudited)** ***RMB'000***	31 December 2025 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**388,068**	411,630
Right-of-use assets		**143,369**	184,260
Intangible assets		**35,394**	39,835
Prepayments, other receivables and other assets		**49,737**	49,058
Equity investment designated at fair value through other comprehensive income		**2,530**	2,530
Deferred tax assets		**175,659**	173,946
Total non-current assets		**794,757**	861,259
CURRENT ASSETS			
Inventories		**428,656**	461,535
Right-of-return assets		**20,657**	61,683
Trade receivables	*11*	**135,073**	237,395
Prepayments, other receivables and other assets		**264,962**	126,142
Pledged deposits		**129,705**	21,263
Cash and cash equivalents		**110,483**	182,551
Total current assets		**1,089,536**	1,090,569
CURRENT LIABILITIES			
Trade and notes payables	*12*	**312,869**	303,347
Other payables and accruals		**133,008**	152,386
Refund liabilities		**51,010**	137,440
Contract liabilities		**51,116**	9,510
Interest-bearing bank and other borrowings	*13*	**411,526**	411,252
Lease liabilities		**68,893**	100,905
Tax payable		**1,944**	2,280
Total current liabilities		**1,030,366**	1,117,120
NET CURRENT ASSETS/(LIABILITIES)		**59,170**	(26,551)
TOTAL ASSETS LESS CURRENT LIABILITIES		**853,927**	834,708

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
TOTAL ASSETS LESS CURRENT LIABILITIES	**853,927**	834,708
NON-CURRENT LIABILITIES		
Lease liabilities	**60,501**	62,595
Deferred tax liabilities	**2,969**	2,969
Total non-current liabilities	**63,470**	65,564
Net assets	**790,457**	769,144
EQUITY		
Equity attributable to owners of the parent		
Share capital	**8,343**	8,343
Reserves	**782,114**	760,801
	790,457	769,144
Non-controlling interests	**–**	–
Total equity	**790,457**	769,144

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2026

	Notes	**2026** **(Unaudited)** ***RMB'000***	2025 (Unaudited) *RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**26,709**	13,199
Adjustments for:			
Finance costs	*7*	**6,381**	16,054
Bank interest income	*5*	**(402)**	(498)
Impairment of items of property, plant and equipment	*6*	**681**	–
Impairment of right-of-use assets	*6*	**478**	–
(Reversal of impairment)/impairment of trade and other receivables, net	*6*	**(358)**	782
Impairment of write-down of inventories to net realisable value	*6*	**15,752**	13,407
Depreciation of property, plant and equipment	*6*	**30,460**	32,335
Depreciation of right-of-use assets	*6*	**59,221**	63,594
Amortisation of other intangible assets	*6*	**4,426**	4,146
Loss on disposal of items of property, plant and equipment, net	*6*	**3,046**	1,329
Foreign exchange differences, net	*6*	**(325)**	1,269
Gain on terminations of leases, net	*5*	**(526)**	(512)
Interest income arising from rental deposits		**(778)**	(707)
Investment income from pledged deposits	*5*	**(218)**	(3,835)
		144,547	140,563
Decrease in trade receivables		**102,751**	90,947
Increase in prepayments, other receivables and other assets		**(139,215)**	(111,890)
Decrease in inventories		**17,127**	85,350
Decrease in right-of-return assets		**41,026**	50,552
Increase in pledged short-term deposits		**(40,942)**	(9,993)
Increase/(decrease) in trade and notes payables		**9,522**	(183,846)
Increase/(decrease) in other payables and accruals		**13**	(44,211)
Decrease in refund liabilities		**(86,430)**	(96,861)
Increase in contract liabilities		**41,606**	30,694
Cash generated from/(used in) operations		**90,005**	(48,695)
Bank interest received		**402**	498
Income tax paid		**(4,754)**	(13,414)
Net cash flows from/(used in) operating activities		**85,653**	(61,611)

	2026 (Unaudited) *RMB'000*	2025 (Unaudited) *RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	**(30,695)**	(54,403)
Purchases of intangible assets	**–**	(121)
Proceeds from disposal of items of property, plant and equipment	**–**	410
Net cash flows used in investing activities	**(30,695)**	(54,114)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank and other borrowings	**825,496**	640,441
Repayment of bank and other borrowings	**(824,000)**	(549,433)
Placement of pledged time deposits	**(67,500)**	(21,397)
Withdrawal of pledged time deposits	**–**	69,762
Investment income received from pledged deposits	**218**	3,835
Principal portion of lease payments	**(52,388)**	(42,727)
Interest paid	**(7,603)**	(14,961)
Net cash flows (used in)/from financing activities	**(125,777)**	85,520
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(70,819)**	(30,205)
Cash and cash equivalents at beginning of period	**182,551**	186,891
Effect of foreign exchange rate changes, net	**(1,249)**	(401)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**110,483**	156,285
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**110,483**	156,285

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
30 June 2026

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business in China is located at No. 628 Jinyuan Road, Yinzhou District, Ningbo, Zhejiang Province, People's Republic of China (the "**PRC**").

The Company is an investment holding company. During the reporting period, the Company's subsidiaries were principally engaged in the design, marketing and sale of apparel products.

In the opinion of the directors, the Company does not have an immediate holding company or ultimate holding company. Great World Glory Pte. Ltd. and L Capital Asia 2 Pte. Ltd., which were both incorporated in Singapore, are the controlling shareholders of the Company, as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting.* The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

The unaudited interim condensed consolidated financial information has been prepared under the historical cost convention, except for equity investment designated at fair value through other comprehensive income, which has been measured at fair value. The interim condensed consolidated financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

The nature and impact of the amended IFRS Accounting Standards are described below:

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

The Group is mainly engaged in the sale of apparel products. Additionally, the Group also sells other products to partnership stores and distributors, such as decorations for stores and packaging materials for products. The Group manages its main business of the sale of apparel products by sales channels. There are two operating segments for the sale of apparel products: offline channels and online channels. Offline channels refer to the offline network of retail outlets including self-owned stores and partnership stores, and the offline network of distributors, and online channels refer to online retail platforms, such as Tmall.com, Taobao, Vipshop, TikTok and WeChat Mini Programs.

The Group's chief operating decision maker is the chief executive officer, who reviews revenue and results of offline channels for the sale of apparel products, online channels for the sale of apparel products and the sale of other products separately for the purpose of making decisions about resource allocation and assessment of segment performance. Segment result is evaluated based on gross profit. No analysis of the Group's assets and liabilities by operating segment is disclosed as it is not regularly provided to the chief operating decision maker for review.

	Six months ended 30 June 2026			
	Apparel products			
	Offline channels (Unaudited) *RMB'000*	Online channels (Unaudited) *RMB'000*	Others (Unaudited) *RMB'000*	Total (Unaudited) *RMB'000*
Segment revenue				
Sales to external customers	**608,187**	**337,851**	**2,653**	**948,691**
Total segment revenue	**608,187**	**337,851**	**2,653**	**948,691**
Segment results	**414,098**	**122,189**	**709**	**536,996**
Other income and gains				**7,683**
Selling and distribution expenses				**(416,691)**
Administrative expenses				**(90,974)**
Impairment losses on financial assets, net				**358**
Other expenses				**(4,282)**
Finance costs				**(6,381)**
Profit before tax				**26,709**

	Six months ended 30 June 2025			
	Apparel products			
	Offline channels (Unaudited) *RMB'000*	Online channels (Unaudited) *RMB'000*	Others (Unaudited) *RMB'000*	Total (Unaudited) *RMB'000*
Segment revenue				
Sales to external customers	607,003	357,978	4,095	969,076
Total segment revenue	607,003	357,978	4,095	969,076
Segment results	390,630	126,384	717	517,731
Other income and gains				13,451
Selling and distribution expenses				(415,267)
Administrative expenses				(83,269)
Impairment losses on financial assets, net				(782)
Other expenses				(2,611)
Finance costs				(16,054)
Profit before tax				13,199

Geographic information

(a) Revenue from external customers

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Chinese mainland	**948,691**	969,076

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Chinese mainland	**566,422**	635,247
Hong Kong	**409**	478
Total	**566,831**	635,725

The non-current asset information above is based on the locations of the assets and excludes equity investment, deferred tax assets and financial instruments.

Information about major customers

No revenue from the Group's sales to a single customer amounted to 10% or more of the Group's total revenue during the reporting period (six months ended 30 June 2025: Nil).

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six months ended 30 June	
	2026 (Unaudited) ***RMB'000***	2025 (Unaudited) *RMB'000*
Revenue from contracts with customers		
Sale of apparel products		
Online channels	**337,851**	357,978
Offline channels		
Self-owned stores	**479,529**	448,650
Partnership stores	**32,002**	30,821
Distributor stores	**96,656**	127,532
Sale of other products	**2,653**	4,095
Total	**948,691**	969,076

Disaggregated revenue information for revenue from contracts with customers

	Six months ended 30 June	
	2026 (Unaudited) ***RMB'000***	2025 (Unaudited) *RMB'000*
Timing of revenue recognition		
Goods transferred at a point in time	**948,691**	969,076

An analysis of other income and gains is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Other income and gains		
Government grants	**4,107**	6,558
Investment income from pledged deposits	**218**	3,835
Gain on terminations of leases, net	**526**	512
Bank interest income	**402**	498
Penalty charges received from distributors	**912**	438
Others	**1,518**	1,610
Total	**7,683**	13,451

6. **PROFIT BEFORE TAX**

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Cost of inventories sold	**395,943**	437,938
Depreciation of property, plant and equipment	**30,460**	32,335
Depreciation of right-of-use assets	**59,221**	63,594
Amortisation of intangible assets	**4,426**	4,146
Impairment of items of property, plant and equipment	**681**	–
Impairment of items of right-of-use assets	**478**	–
(Reversal of impairment)/impairment of trade and other receivables, net	**(358)**	782
Impairment of write-down of inventories to net realisable value	**15,752**	13,407
Loss on disposal of items of property, plant and equipment, net	**3,046**	1,329
Foreign exchange differences, net	**(325)**	1,269
Employee benefit expenses (excluding directors' and chief executive's remuneration):		
Wages and salaries	**44,731**	38,422
Pension scheme contributions	**3,248**	1,976
Staff welfare expenses	**2,959**	2,994
Total	**50,938**	43,392

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**4,161**	12,983
Interest on lease liabilities	**2,220**	3,071
Total	**6,381**	16,054

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in this jurisdiction.

Pursuant to the relevant tax law of Hong Kong Special Administrative Region, Hong Kong profits tax is provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. The Hong Kong subsidiary, Joy Sonic Limited, is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2025: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (2025: 16.5%).

Pursuant to the relevant tax law of the Administrative Especial de Macau, Macau profits tax is provided at the rate of 12% on the estimated assessable profits arising in Macau.

The provision for Chinese mainland corporate income tax is based on the statutory rate of 25% of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008. Certain subsidiaries of the Group are qualified as small and micro enterprises and are subject to a preferential income tax rate of 5% (2025: 5%).

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current tax:		
Charge for the period	**6,609**	1,003
Deferred	**(1,713)**	3,324
Total	**4,896**	4,327

9. DIVIDENDS

The board of directors did not declare the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 912,500,000 (six months ended 30 June 2025: 912,500,000) outstanding during the period. The number of shares for the current period has been arrived at after eliminating the shares of the Company held under the restricted share unit scheme.

The calculation of diluted earnings per share for the six months ended 30 June 2026 and 30 June 2025 does not assume the exercise of all dilutive potential ordinary shares arising from the restricted share units ("**RSUs**") granted by the Company because the exercise price of these RSUs was higher than the average market price per share for the periods.

The calculations of basic and diluted earnings per share are based on:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**21,813**	8,872

	Number of shares	
	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	**912,500,000**	912,500,000

11. TRADE RECEIVABLES

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Trade receivables	**536,580**	639,331
Impairment of trade receivables	**(401,507)**	(401,936)
Net carrying amount	**135,073**	237,395

The Group's trading terms with its customers (other than retail customers) are mainly on credit as well as advances. The credit period is generally one month to three months, extending up to one year for major customers. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Within 3 months	**94,942**	201,253
3 to 6 months	**8,077**	26,737
6 to 12 months	**26,571**	5,111
1 to 2 years	**5,483**	4,294
Total	**135,073**	237,395

12. TRADE AND NOTES PAYABLES

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Trade payables	**69,842**	197,552
Notes payable	**243,027**	105,795
Total	**312,869**	303,347

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

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Within 3 months	**67,762**	195,332
3 to 6 months	**1,400**	1,538
6 to 12 months	**241**	304
1 to 2 years	**179**	378
Over 2 years	**260**	–
Total	**69,842**	197,552

The trade payables are non-interest-bearing and are normally settled on 120-day terms.

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at 30 June 2026 (unaudited)			As at 31 December 2025 (audited)		
	Effective interest rate	**Maturity**	**RMB'000**	Effective interest rate	Maturity	RMB'000
Current						
Bank loans – unsecured	**0.85%-3.00%**	**2026-2027**	**164,848**	2.50%-3.00%	Within 2025	281,252
Discounted letter of credit – unsecured	**0.87%-1.75%**	**Within 2026**	**161,678**	1.65%	Within 2025	115,000
Bank loans – secured *(note (a))*	**0.73%-2.70%**	**Within 2026**	**65,000**	2.70%	Within 2025	15,000
Discounted letter of credit – secured *(note (b))*	**1.45%**	**Within 2026**	**20,000**	–	–	–
Total			**411,526**			411,252

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Analysed into:		
Bank loans and other borrowings repayable:		
Within one year or on demand	**411,526**	411,252

Notes:

(a) The bank loans of RMB50,000,000 are secured by the pledge of certain of the Group's time deposits amounting to approximately RMB47,500,000 at the end of the reporting period. The bank loans of RMB15,000,000 (31 December 2025: RMB15,000,000) are secured by mortgages over the Group's buildings, which had a net carrying value at the end of the reporting period of approximately RMB266,518,000 (31 December 2025: RMB270,734,000).

(b) The discounted letter of credit of RMB20,000,000 is secured by the pledge of certain of the Group's time deposits amounting to approximately RMB20,000,000 at the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview and Outlook

In the first half of 2026, China's apparel industry continued to face development challenges amid increasingly diverse consumer demands and intensifying market competition, while structural opportunities continued to emerge. The national policy of "further expanding domestic demand and steadily boosting consumption" was steadily implemented, providing sustained momentum for the long-term development of the consumer market. During the Period, the Group actively responded to the evolving market environment and consumer trends by continuously optimizing its omni-channel strategy and multi-brand strategy. The Group also optimized the product mix and sales channel structures, and implemented various cost control measures to enhance operational efficiency, thereby mitigating the adverse impact of the external environment on its performance. The Group remains confident in the long-term prospects of China's fashion industry and consumer market. Looking ahead, the Group will continue to adopt a cautiously optimistic approach in capturing structural opportunities and will remain committed to implementing the following strategies:

- Deepening product design positioning, enhancing the precision of brand promotion and allocating brand marketing resources effectively to strengthen brand awareness and influence;

- Introducing new brands and expanding their sales share;

- Improving the product mix and increasing the omni-channel gross profit margin; and

- Actively utilizing modern AI tools to improve operational and management efficiency.

Revenue

The Group derives its revenue primarily from the sales of its products through its self-owned stores, distributors, partners and online channels to end customers. The Group's revenue is stated as the net invoiced value of goods sold, after allowances for returns and trade discounts.

Total sales revenue for the Period was RMB948.7 million, representing a decrease of 2.1%, or RMB20.4 million, from RMB969.1 million for the same period in 2025. Such decrease was primarily because of the decline in revenue from online channels.

Revenue by brand

	Six months ended 30 June			
	2026		2025	
	RMB'000	*%*	*RMB'000*	*%*
GXG	**884,749**	**93.2**	897,457	92.6
gxg jeans	**39,596**	**4.2**	48,751	5.0
Mode Commuter	**23,449**	**2.5**	19,139	2.0
Others	**897**	**0.1**	3,729	0.4
Total	**948,691**	**100.0**	969,076	100.0

Sales revenue from the Group's main brand, namely GXG, for the Period decreased by 1.4%, or RMB12.8 million, as compared to that for the same period in 2025, primarily due to (i) the strategic offline channels restructuring, including the closure of certain underperforming offline stores, with a view to enhancing per-store sales; and (ii) the Group's optimization of its online channel sales strategy, which in turn led to a further optimized channel profitability structure.

Sales revenue from gxg jeans for the Period decreased by 18.9%, or RMB9.2 million, as compared to that for the same period in 2025, primarily due to the Group's adjustments in brand positioning and business strategies.

Sales revenue from Mode Commuter for the Period increased by 22.5%, or RMB4.3 million, as compared to that for the same period in 2025, primarily due to per-store sales growth.

Revenue by sales channel

	Six months ended 30 June			
	2026		2025	
	RMB'000	*%*	*RMB'000*	*%*
Sales of apparel products				
Offline channels				
Self-owned stores	**479,529**	**50.5**	448,650	46.3
Partnership stores	**32,002**	**3.4**	30,821	3.2
Distributor stores	**96,656**	**10.2**	127,532	13.2
Online channels	**337,851**	**35.6**	357,978	36.9
Sales of other products	**2,653**	**0.3**	4,095	0.4
Total	**948,691**	**100.0**	969,076	100.0

During the Period, the Group optimized its channel structure, (i) offline channels sales for the Period remained relatively stable at RMB608.2 million, as compared to RMB607.0 million for the same period in 2025; (ii) sales from self-owned stores for the Period increased by 6.9%, or RMB30.8 million, to RMB479.5 million, as compared to that for the same period in 2025; (iii) sales from partnership stores for the Period increased by 3.9%, or RMB1.2 million, to RMB32.0 million, as compared to that for the same period in 2025; and (iv) sales from distributor stores for the Period decreased by 24.2%, or RMB30.8 million, to RMB96.7 million, as compared to that for the same period in 2025.

Online channel sales for the Period decreased by 5.6%, or RMB20.1 million, to RMB337.9 million, as compared to that for the same period in 2025, primarily due to the Group's optimization of its online channel sales strategy through tighter promotional discounts and a stronger focus on sales quality and profitability, which in turn led to an improved gross profit margin and a further optimized channel profitability structure.

Number of stores by brand

	30 June 2026		31 December 2025	
	Number of stores	***%***	*Number of stores*	*%*
GXG	**824**	**96.5**	893	96.4
gxg jeans	**8**	**0.9**	8	0.9
Mode Commuter	**22**	**2.6**	25	2.7
Total	**854**	**100.0**	926	100.0

During the Period, the Group adjusted its brand positioning and marketing strategies and reduced the number of stores. As a result, the total number of offline stores decreased from 926 as at 31 December 2025 to 854 as at 30 June 2026.

Number of stores by sales channel

	30 June 2026		31 December 2025	
	Number of stores	***%***	*Number of stores*	*%*
Self-owned stores	**370**	**43.3**	376	40.6
Partnership stores	**68**	**8.0**	72	7.8
Distributor stores	**416**	**48.7**	478	51.6
Total	**854**	**100.0**	926	100.0

Due to strategic offline channels restructuring, the Group closed its underperforming offline stores during the Period. As a result, the number of offline stores decreased from 926 as at 31 December 2025 to 854 as at 30 June 2026.

Gross Profit and Gross Profit Margin

The Group recorded a gross profit of RMB537.0 million for the Period, representing an increase of 3.7%, or RMB19.3 million, from RMB517.7 million for the same period in 2025. Gross profit margin increased to 56.6% during the Period, as compared to 53.4% for the same period in 2025. Details of and the reasons for the changes in gross profit and gross profit margin are set out below.

Gross profit and gross profit margin by brand

	Six months ended 30 June			
	2026		2025	
	Gross Profit	**Gross Profit Margin**	Gross Profit	Gross Profit Margin
	RMB'000	*%*	*RMB'000*	*%*
GXG	**506,757**	**57.3**	486,385	54.2
gxg jeans	**15,456**	**39.0**	19,836	40.7
Mode Commuter	**14,389**	**61.4**	11,173	58.4
Others	**394**	**43.9**	337	9.0
Total	**536,996**	**56.6**	517,731	53.4

The gross profit of GXG for the Period increased by RMB20.4 million, or approximately 4.2%, and the gross profit margin of GXG increased by 3.1 percentage points, as compared to that for the same period in 2025, primarily due to (i) lower discounted rates; and (ii) optimization of the product mix and sales channel structures.

The gross profit of gxg jeans for the Period decreased by RMB4.3 million, or approximately 21.7%, and the gross profit margin of gxg jeans decreased by 1.7 percentage points, as compared to that for the same period in 2025, primarily due to the Group's strategic brand adjustment to close underperforming stores as well as the increase in the proportion of selling old stocks which had higher discounted rates during the Period.

The gross profit of Mode Commuter for the Period increased by RMB3.2 million, or approximately 28.6%, and the gross profit margin of Mode Commuter increased by 3.0 percentage points, as compared to that for the same period in 2025, primarily due to optimization of the product mix and sales channel structures.

Gross profit and gross profit margin by sales channel

	Six months ended 30 June			
	2026		2025	
	Gross Profit	**Gross Profit Margin**	Gross Profit	Gross Profit Margin
	RMB'000	***%***	*RMB'000*	*%*
Sales of apparel products				
Offline channels				
Self-owned stores	**356,103**	**74.3**	320,459	71.4
Partnership stores	**13,651**	**42.7**	12,438	40.4
Distributor stores	**44,344**	**45.9**	57,733	45.3
Online channels	**122,189**	**36.2**	126,384	35.3
Sales of other products	**709**	**26.7**	717	17.5
Total	**536,996**	**56.6**	517,731	53.4

Gross profit of self-owned stores for the Period increased by RMB35.6 million, or approximately 11.1%, as compared to that for the same period in 2025, primarily due to an increase in its revenue. Gross profit margin of self-owned stores increased by 2.9 percentage points to 74.3%, as compared to 71.4% for the same period in 2025, primarily due to (i) lower discounted rates; and (ii) optimization of the product mix and sales channel structures.

Gross profit of partnership stores for the Period increased by RMB1.3 million, or approximately 10.5%, as compared to that for the same period in 2025, primarily due to an increase in its revenue. Gross profit margin of partnership stores increased by 2.3 percentage points to 42.7%, as compared to 40.4% for the same period in 2025, primarily due to optimization of the product mix and sales channel structures.

Gross profit of distributor stores for the Period decreased by RMB13.4 million, or approximately 23.2%, as compared to that for the same period in 2025, primarily due to a decrease in its revenue. Gross profit margin of distributor stores remained relatively stable at 45.9%, as compared to 45.3% for the same period in 2025.

Gross profit of online channels for the Period decreased by RMB4.2 million, or approximately 3.3%, as compared to that for the same period in 2025, primarily due to a decrease in its revenue. Gross profit margin of online channels increased by 0.9 percentage points to 36.2%, as compared to 35.3% for the same period in 2025, primarily due to the Group's optimization of its online channel sales strategy through tighter promotional discounts and a stronger focus on sales quality and profitability, which in turn led to an improved gross profit margin and a further optimized channel profitability structure.

Other Income and Gains

Other income and gains for the Period were RMB7.7 million, representing a decrease of 43.0%, or RMB5.8 million, as compared to RMB13.5 million for the same period in 2025, mainly attributable to a decrease in investment income from pledged deposits and government grants.

Selling and Distribution Expenses

Total selling and distribution expenses for the Period remained relatively stable at RMB416.7 million, as compared to RMB415.3 million for the same period in 2025.

Selling and distribution expenses as a percentage of the Group's total revenue increased to 43.9% for the Period as compared to 42.9% for the same period in 2025.

Administrative Expenses

Total administrative expenses for the Period increased by 9.2%, or RMB7.7 million, to RMB91.0 million, as compared to RMB83.3 million for the same period in 2025. The increase was mainly due to the higher depreciation of the fit-out costs of the Group's headquarters office building, partially offset by a decrease in office rental expenses.

Total administrative expenses as a percentage of the Group's total revenue increased to 9.6% for the Period as compared to 8.6% for the same period in 2025.

Impairment Losses on Financial Assets, Net

The Group recorded a reversal of impairment losses on financial assets, net of RMB0.4 million for the Period, as compared to impairment losses on financial assets, net of RMB0.8 million for the same period in 2025. This was mainly because the Group enhanced its account receivables collection and applied a more stringent credit control policy over its customers.

Other Expenses

The Group's other expenses for the Period increased by 65.4%, or RMB1.7 million, to RMB4.3 million, as compared to RMB2.6 million for the same period in 2025, mainly due to an increase in the number of closed stores during the Period, resulting in an increase in stores closure expenses.

Finance Costs

Finance costs for the Period decreased by 60.2%, or RMB9.7 million, to RMB6.4 million, as compared to RMB16.1 million for the same period in 2025. The decrease was mainly due to the decrease in bank loans and effective expense control.

Profit before Tax

The Group's profit before tax for the Period was RMB26.7 million, representing an increase of RMB13.5 million, from RMB13.2 million for the same period in 2025. The increase was mainly due to an increase in gross profit.

Income Tax Expense

Income tax expense for the Period was RMB4.9 million, representing an increase of RMB0.6 million, as compared to RMB4.3 million for the same period in 2025.

Profit for the Period

As a result of the foregoing factors, profit for the Period was RMB21.8 million, representing an increase of RMB12.9 million, as compared to RMB8.9 million for the same period in 2025.

Operating Cash Flows

Net operating cash inflow for the Period was RMB85.7 million, primarily due to the cash inflow from operating profit of RMB140.2 million and a decrease in working capital of RMB54.5 million. The Group's net operating cash inflow has shown an increase, as compared to net operating cash outflow of RMB61.6 million for the same period in 2025. Such increase was mainly driven by the Company's efforts to strengthen the collection of trade receivables and enhance overall working capital management, while optimizing procurement settlement arrangements and making appropriate use of settlement instruments, which led to a more balanced cash outflow schedule.

Capital Expenditures

The Group's capital expenditures include payments for property, plant and equipment and intangible assets. During the Period, the Group's capital expenditures amounted to RMB30.7 million, representing a decrease of 43.7%, or RMB23.8 million, from RMB54.5 million for the same period in 2025. The decrease was primarily attributable to non-recurrence in the current period of the fit-out expenditures for the Group's headquarters office building incurred in 2025, and the optimization of store renovation costs.

Financial Position

The Group generally funds its operations with bank and other borrowings. As at 30 June 2026, the Group had bank and other borrowings of RMB411.5 million (31 December 2025: RMB411.3 million). Bank and other borrowings were mainly denominated in RMB as at 30 June 2026. As at 30 June 2026, the Group had fixed-rate bank borrowings of RMB411.5 million (31 December 2025: RMB411.3 million). For details, please see note 13 of the "Notes to Interim Condensed Consolidated Financial Information".

The Group's cash and cash equivalents and pledged deposits totalled RMB240.2 million as at 30 June 2026, representing an increase of 17.9% or RMB36.4 million, from RMB203.8 million as at the end of 2025. Cash and cash equivalents as at 30 June 2026 were RMB110.5 million, among which 99.1% was denominated in RMB, 0.8% in U.S. dollars, and 0.1% in Hong Kong dollars and Macau Pataca in aggregate. Pledged deposits as at 30 June 2026 were RMB129.7 million, all of which were denominated in RMB.

Gearing Ratio

The Group's gearing ratio is calculated by dividing the Group's total borrowings by the Group's total assets. As at 30 June 2026, the Group's gearing ratio was 21.8% (31 December 2025: 21.1%).

Significant Investments Held

For the Period, the Group did not hold any significant investments.

Funding and Treasury Policy

The Group adopts a stable approach on its finance and treasury policy, aiming to maintain an optimal financial position, the most economic finance costs, and minimal financial risks. The Group regularly reviews its funding requirements to maintain adequate financial resources to support its current business operations as well as its future investments and expansion plans.

Material Acquisitions and Future Plans for Major Investment

During the Period, the Group did not conduct any material investment, acquisition or disposal. While the Group has no specific plan for major investment or acquisition of major capital assets or other businesses, it will continue to identify new opportunities for business development.

Exposure to Fluctuations in Exchange Rates

The Group operates mainly in China with most of its transactions settled in RMB. However, the Group is exposed to foreign exchange risk arising mainly from debt denominated in U.S. dollars. During the Period, the Group did not use any financial instrument for hedging purpose.

Pledge of Assets

As at 30 June 2026, the Group's bank loans of RMB50.0 million were secured by the Group's pledged deposits of approximately RMB47.5 million.

As at 30 June 2026, the Group's bank loans of RMB15.0 million were secured by mortgages over the Group's buildings with a net carrying value of approximately RMB266.5 million.

As at 30 June 2026, the Group's discounted letter of credit of RMB20.0 million was secured by the Group's pledged deposits of approximately RMB20.0 million.

Contingent Liabilities

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

Events after the Period

As at the date of this announcement, no material event has occurred after 30 June 2026.

Human Resources

As at 30 June 2026, the number of employees of the Group was 386, as compared to 404 as at 31 December 2025. In order to attract, retain and develop the knowledge, skills and quality of employees, the Group places a strong emphasis on training and development. The Group provides training periodically across operational functions, including introductory training for new employees, technical training, professional and management training, team-building and communications training. The Group also offers competitive remuneration packages, which include salaries, bonuses and other benefits. In general, the Group determines employee salaries based on each employee's qualifications, experience, position and seniority. The total cost of staff, including basic salary and wages, social insurance and bonus, for the Period was RMB52.4 million, as compared to RMB45.5 million for the same period in 2025. The increase of such total cost of staff was mainly due to the year-on-year growth in net profit for the Period, which led to a corresponding increase in the provision for employee performance bonuses. The total cost of staff for the Period increased to 5.5% of the Group's revenue, as compared to 4.7% for the same period in 2025.

OTHER INFORMATION

Interim Dividend

The Board does not recommend the payment of any interim dividend for the Period.

Corporate Governance

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and enhance its corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**Corporate Governance Code**") set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**") as its own code of corporate governance. During the Period, the Company complied with all applicable code provisions set out in Part 2 of the Corporate Governance Code. The Company will continue to review and monitor its corporate governance practices to ensure the compliance with the Corporate Governance Code.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Upon specific enquiries made to all Directors, each of them has confirmed that he/she has complied with the required standards set out in the Model Code throughout the Period and up to the date of this announcement.

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period (including sale of treasury shares, if any). As at 30 June 2026, the Company did not hold any treasury shares.

Audit Committee

The Company has established the audit committee with written terms of reference. As at the date of this announcement, the audit committee comprises three independent non-executive Directors, namely Mr. GU Jiong, Ms. XU Yanyun and Mr. LAM Tsz Chung. Mr. GU Jiong is the chairman of the audit committee. The primary duties of the audit committee are to review the Company's financial information, and oversee the Company's financial reporting system, risk management and internal control systems.

The audit committee has jointly reviewed with the Board the unaudited interim results of the Group for the six months ended 30 June 2026, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. There is no disagreement by the audit committee with the accounting treatment adopted by the Group.

Publication of the 2026 Interim Results and 2026 Interim Report

This interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.gxggroup.cn). The 2026 interim report of the Company for the six months ended 30 June 2026 will be sent to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Mulsanne Group Holding Limited
TANG Shun Lam
Chairman

Hong Kong, 26 August 2026

As at the date of this announcement, the Board comprises Mr. YU Yong as executive Director; Mr. TANG Shun Lam, Mr. CHEN Yeliang, Ms. YOU Shike, Mr. TIAN Min and Mr. SUN Weiye as non-executive Directors; and Mr. GU Jiong, Ms. XU Yanyun and Mr. LAM Tsz Chung as independent non-executive Directors.