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POU SHENG INTERNATIONAL (HOLDINGS) LIMITED
寶勝國際（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 3813)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2026

THE GROUP'S FINANCIAL HIGHLIGHTS

Financial performance	For the six months ended June 30, 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)	Change
Revenue	**8,964,585**	9,159,425	**-2.1%**
Gross profit	**3,042,544**	3,069,210	**-0.9%**
Operating profit	**347,969**	281,596	**23.6%**
Profit attributable to owners of the Company	**243,652**	187,615	**29.9%**
Gross profit margin *(%)*	**33.9%**	33.5%	**0.4 ppt**
Operating profit margin *(%)*	**3.9%**	3.1%	**0.8 ppt**
Basic earnings per share *(RMB cents)*	**4.70**	3.62	**29.8%**
Dividend per share			
Interim dividend *(HK$)*	**0.016**	0.0115	**39.1%**
Special dividend *(HK$)*	**0.016**	0.0115	**39.1%**

Financial position	As at June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)	
Inventories	**4,668,280**	5,020,147	**-7.0%**
Trade and other receivables	**1,983,450**	2,094,184	**-5.3%**
Cash and cash equivalents	**1,330,301**	640,441	**107.7%**

RESULTS

The board (the "Board") of directors (the "Directors") of Pou Sheng International (Holdings) Limited (the "Company") announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended June 30, 2026 with comparative figures for the corresponding period as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended June 30, 2026

		For the six months ended June 30,	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	3	**8,964,585**	9,159,425
Cost of sales		**(5,922,041)**	(6,090,215)
Gross profit		**3,042,544**	3,069,210
Other operating income and gains (losses)		**74,635**	102,671
Selling and distribution expenses		**(2,416,447)**	(2,508,356)
Administrative expenses		**(352,763)**	(381,929)
Operating profit		**347,969**	281,596
Finance costs	5	**(21,913)**	(28,091)
Finance income		**18,252**	21,599
		(3,661)	(6,492)
Other gains		**1,385**	–
Profit before taxation		**345,693**	275,104
Income tax expense	4	**(91,582)**	(74,998)
Profit for the period	5	**254,111**	200,106
Attributable to:			
Owners of the Company		**243,652**	187,615
Non-controlling interests		**10,459**	12,491
		254,111	200,106
Earnings per share	7		
– Basic		**RMB4.70 cents**	RMB3.62 cents
– Diluted		**RMB4.68 cents**	RMB3.61 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2026

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit for the period	**254,111**	200,106
Other comprehensive income (expense)		
An item that will not be reclassified to profit or loss		
Fair value gain (loss) on investments in equity instrument at fair value through other comprehensive income	**521**	(716)
An item that may be reclassified subsequently to profit or loss		
Exchange differences arising on the translation of foreign operations	**291**	(1,626)
Other comprehensive income (expense) for the period	**812**	(2,342)
Total comprehensive income for the period	**254,923**	197,764
Attributable to:		
Owners of the Company	**244,464**	185,273
Non-controlling interests	**10,459**	12,491
	254,923	197,764

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30, 2026

	Note	**At June 30, 2026** *RMB'000* **(unaudited)**	At December 31, 2025 *RMB'000* (audited)
Non-current assets			
Investment properties		**120,700**	120,700
Property, plant and equipment		**604,730**	689,212
Right-of-use assets		**1,143,326**	1,106,919
Deposits paid for acquisition of property, plant and equipment		**42,809**	38,518
Rental deposits		**85,344**	94,208
Intangible assets		**99,422**	99,623
Goodwill		**522,163**	522,163
Interests in joint ventures		**–**	–
Equity instrument at fair value through other comprehensive income		**2,906**	2,508
Other financial assets at amortised cost		**149,180**	49,734
Bank deposits over three months		**477,840**	527,840
Deferred tax assets		**140,664**	145,752
		3,389,084	3,397,177
Current assets			
Inventories		**4,668,280**	5,020,147
Trade and other receivables	8	**1,983,450**	2,094,184
Taxation recoverable		**25,747**	34,752
Financial assets at fair value through profit or loss		**280,825**	220,581
Bank deposits over three months		**353,420**	653,627
Cash and cash equivalents		**1,330,301**	640,441
		8,642,023	8,663,732

	Note	At June 30, 2026 *RMB'000* (unaudited)	At December 31, 2025 *RMB'000* (audited)
Current liabilities			
Trade and other payables	9	**1,381,706**	1,739,264
Contract liabilities		**310,722**	249,788
Taxation payable		**18,387**	8,130
Lease liabilities		**472,455**	487,688
		2,183,270	2,484,870
Net current assets		**6,458,753**	6,178,862
Total assets less current liabilities		**9,847,837**	9,576,039
Non-current liabilities			
Deferred tax liabilities		**33,837**	19,656
Lease liabilities		**704,119**	654,532
		737,956	674,188
Net assets		**9,109,881**	8,901,851
Capital and reserves			
Share capital		**46,343**	46,438
Reserves		**8,966,223**	8,740,557
Equity attributable to owners of the Company		**9,012,566**	8,786,995
Non-controlling interests		**97,315**	114,856
Total equity		**9,109,881**	8,901,851

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Other than changes in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial position and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENTAL INFORMATION

The Group is principally engaged in the distribution and retailing of sportswear and footwear products and provision of large scale commercial spaces to retailers and distributors for commissions from concessionaire sales. The Group's results and revenue are reported as a whole on a regular basis to the chief operating decision maker, being the executive directors of the Company, for the purposes of performance assessment and resource allocation.

The following is an analysis of the Group's revenue recognised at a point in time:

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Sales of sportswear and footwear products	**8,915,555**	9,105,516
Commissions from concessionaire sales	**49,030**	53,909
	8,964,585	9,159,425

4. INCOME TAX EXPENSE

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
People's Republic of China Enterprise Income Tax		
– Current period	**88,506**	121,652
– Overprovision in prior periods	**(16,193)**	(24,819)
Withholding tax on dividend	**–**	15,000
Current tax charge – total	**72,313**	111,833
Deferred tax charge (credit)	**19,269**	(36,835)
	91,582	74,998

5. FINANCE COSTS/PROFIT FOR THE PERIOD

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
(a) Finance costs		
Interest expenses on bank borrowings	**797**	1,482
Interest expenses on advances from a related party	**43**	47
Interest expenses on lease liabilities	**21,073**	26,562
	21,913	28,091
(b) Profit for the period		
Profit for the period has been arrived at after charging (crediting):		
Total staff costs (included in selling and distribution expenses and administrative expenses)	**969,637**	1,053,815
Depreciation of right-of-use assets	**309,212**	337,733
Depreciation of property, plant and equipment	**140,624**	153,813
Net changes in allowance for inventories (included in cost of sales)	**160**	18,754
Amortisation of intangible assets (included in selling and distribution expenses)	**7,710**	6,856
Gross rental income from investment properties, net of direct expenses	**(2,691)**	(2,760)
Subsidy income from government (included in other operating income and gains (losses))	**(14,154)**	(25,837)
Loss on disposal/written off of property, plant and equipment (included in other operating income and gains (losses))	**6,304**	6,450
Impairment losses reversal on trade and other receivables, net (included in other operating income and gains (losses))	**(1,735)**	(4,403)

For the six months ended June 30, 2026 and 2025, cost of inventories recognised as an expense represents cost of sales as shown in the condensed consolidated income statement.

6. DIVIDENDS

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Dividends recognised as distribution during the period:		
2025 final dividend of HK$0.002 per share (six months ended June 30, 2025: 2024 final dividend of HK$0.01 per share)	**9,012**	47,368
2025 special dividend of HK$0.002 per share (six months ended June 30, 2025: 2024 special dividend of HK$0.01 per share)	**9,012**	47,368
	18,024	94,736

Subsequent to the end of the current interim period, the Directors have determined that an interim dividend of HK$0.016 per ordinary share of the Company (the "Share") and a special dividend of HK$0.016 per Share (six months ended June 30, 2025: interim dividend of HK$0.0115 per Share and special dividend of HK$0.0115 per Share) amounting to approximately HK$170,096,000 (six months ended June 30, 2025: HK$122,502,000) in aggregate will be paid to the holders of the Shares (the "Shareholders") whose names appear in the register of members of the Company (the "Register of Members") on Wednesday, September 16, 2026.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Earnings:		
Earnings for the period attributable to owners of the Company for the purposes of basic and diluted earnings per share	**243,652**	187,615

	For the six months ended June 30,	
	2026	2025
	(unaudited)	(unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**5,184,724,701**	5,183,714,855
Effect of dilutive potential ordinary shares:		
– Unvested awarded shares	**20,063,828**	11,983,003
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**5,204,788,529**	5,195,697,858

The weighted average number of ordinary shares shown above has been arrived at after deducting the shares held by the trustee of the share award scheme of the Company.

8. TRADE AND OTHER RECEIVABLES

The Group generally allows credit periods of 30 days to 60 days which are agreed with each of its trade customers. The aged analysis of the Group's trade receivables, net of allowance for doubtful debts, presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates, is as follows:

	At June 30, 2026 *RMB'000* **(unaudited)**	At December 31, 2025 *RMB'000* (audited)
0 – 30 days	**935,166**	807,770
31 – 90 days	**17,336**	7,911
Over 90 days	**630**	–
	953,132	815,681

9. TRADE AND OTHER PAYABLES

The aged analysis of the Group's trade payables, presented based on the invoice date at the end of the reporting period, is as follows:

	At June 30, 2026 *RMB'000* **(unaudited)**	At December 31, 2025 *RMB'000* (audited)
0 – 30 days	**213,958**	517,127
31 – 90 days	**–**	3,577
Over 90 days	**–**	7,199
	213,958	527,903

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Business Environment

In the six months ended June 30, 2026 (the "Period"), mainland China's retail landscape remained dynamic and ever-evolving, with diversified and segmented demand firmly established in the mainstream. While the drop in offline foot traffic narrowed, consumers remained cautious and more inclined to spend on products and services that offer emotional value. At the same time, the continuous integration of artificial intelligence ("AI") is helping retailers gain more precise insights into target customers, enabling them to optimise products and service experiences to meet rising expectations for efficiency and convenience. Meanwhile, in April 2026, mainland China's Rules on Pricing Practices for Internet Platforms came into effect, regulating pricing competition mechanisms on e-commerce platforms and steering the industry back onto a sound path that prioritises efficiency and profitability.

In response to these market conditions and in active support of relevant policies, the Group continued to strengthen its cross-channel capabilities by maintaining a high degree of agility and flexibility in decision-making. Meanwhile, it implemented rigorous inventory management, optimised its inventory mix, strictly controlled discounting to improve sales quality and leveraged its restructuring strategy to enhance synergies, all of which drove a solid improvement in the Group's profitability.

At the same time, the Group experienced improved conversion rates within its directly operated brick-and-mortar ("B&M") network and enhanced in-season full-price sales. This was achieved by dynamically managing its store portfolio and enhancing productivity and operational efficiency at key stores, while deepening engagement with consumers and the services provided to them. The Group also prioritised healthier and balanced sales, strengthened its membership programmes and inventory integration, and broadened its appeal to a wider consumer base.

Hybrid Channel Management – B&M

During the Period, the Group's B&M retail channels saw more resilient sales momentum, with the decline in foot traffic narrowing markedly despite ongoing changes in the market environment. The Group continued to develop its multi-brand outlet stores network and diversify its geographic footprint with sub-distributors to deepen its penetration and reach in lower-tier cities, achieving a more balanced sales distribution across different city tiers. However, footfall in lower-tier cities remained more volatile, weighing on the performance of sub-distributor channels relative to the Group's directly operated stores.

The Group continued to progress its retail refinement strategy by selectively rightsizing or upgrading stores, improving cost competitiveness, and boosting store-level productivity. It continued to adopt a holistic view towards new store openings, including for its existing brand portfolio and new brands, optimising total investment returns by prioritising geographic regions and store formats with high potential. New stores were only opened following thorough assessments that prioritise margins and business quality. As of June 30, 2026, the Group directly operated 3,110 stores across the Greater China region.

Movement of directly operated stores during the six months ended:

	June 30, 2026	June 30, 2025
At the beginning of the Period	**3,310**	3,448
Net decrease	**(200)**	(40)
At the end of the Period	**3,110**	3,408

B&M retail channels remain a critical and irreplaceable sales touchpoint for consumers in the Greater China region who want to discover must-have in-season new sports products that are both trendy and functional, while pursuing unique, personalised and seamless shopping experiences. Amid the current dynamic consumer backdrop, the Group continued to optimise its store formats and enhance its digital capabilities by integrating its B&M network, highly-integrated membership programmes and other digital services and tools into its B&M network, which, combined with cross-channel capabilities, further enriched the consumer experience. During the Period, the Group also further expanded its self-owned "YYQUALITY" – a multi-brand outlet store concept, offering consumers high-quality merchandise at great value, along with a one-stop diverse shopping experience. It also continued to conduct a review of regional operational structures and develop efficiency enhancement projects to optimise store entry and transaction rates, repeat purchases and higher-margin in-season sales within its offline network.

Hybrid Channel Management – Online channels

During the Period, the Group further strengthened its digital capabilities by leveraging a differentiated and multi-faceted operation matrix to deepen its engagement with diverse shopping groups, while enhancing operational efficiency. The Group operates three broad categories of online channels: private domain WeChat stores, live-streaming e-commerce and shelf-based e-commerce such as Tmall, JD and Vipshop. The Group's digital sales momentum remained resilient, led by its online multi-channel footprint and live-streaming e-commerce, supporting effective inventory management.

The Group consolidated its multiple regional WeChat stores into a single national store to drive greater efficiency. At the same time, the Group leveraged new AI technology to drive cost reduction and efficiency gains, while enriching its shelf-based e-commerce content. The Group also heightened the traffic efficiency of its Douyin live-streams conducted by designated Key Opinion Staff and influencers, fully integrating its inventory across mainland China to achieve higher-quality sales and encourage more repeat purchases. It also continued to support conversion rates by embedding value-added services, diverse content, and member-exclusive benefits into its online channels, while providing quality, personalised and comprehensive customer service with a human touch.

Enhanced Strategic Alliances with Business Partners

The Group continued to deepen its strategic partnerships with its business partners to provide an impeccable and diverse shopping experience and strengthen consumer connectivity. To strengthen its connected digital membership programmes across the Greater China region, the Group leveraged AI to gain deeper insights into member profiles and needs, seize current consumer opportunities and build predictive-trend capabilities to develop diversified content, interactive features and other related services, while supporting in-depth membership management and providing a premium and seamless online and offline consumer experience. The Group also further supported membership growth and increased in-season sell-through by strengthening the integration of its membership programmes with that of its brand partners.

Moreover, the Group continued to reinforce its product-sharing platform ("PSP") and further improve its efficiency in product allocation and logistics management. It also expanded its connected inventory programme with brand partners to efficiently share products and services across different platforms and channels, optimising its inventory mix and accelerating sales cycles.

Strengthened Operational Excellence with Digital Transformation

During the Period, the Group advanced its digital transformation agenda by deepening the integration and upgrade of its SAP system. Leveraging its multi-functional modules, the Group integrated and optimised its business and finance functions, while improving the efficiency of strategic decision-making at the management level. Through its further-upgraded and fully integrated business intelligence platform, the Group is able to monitor all of its operations through digital cloud-based financial dashboards with enhanced efficiency. It is continuing to optimise other digital tools and dashboards to drive its retail excellence, particularly in areas such as real-time in-store efficiency, resource optimisation and membership services through digital empowerment.

Performance Analysis

Financial Review

During the Period, the Group recorded revenue of RMB8,964.6 million, maintaining solid revenue scale. Gross profit was RMB3,042.5 million, representing a decrease of 0.9% when compared to the same period of last year. Profit attributable to owners of the Company for the Period increased by 29.9% to RMB243.7 million, supported by effective inventory ageing optimisation, stringent discount management and synergies achieved following its organisational restructure.

Revenue

During the Period, the Group's total revenue decreased by 2.1% to RMB8,964.6 million, with the revenue decline narrowing year-on-year due to the Group's continuous enhancement of its operational efficiency and strategic dynamic inventory management, as well as the establishment of fully integrated, one-stop operations. Meanwhile, the Group's direct retail channels performing better than its sub-distributor channels.

Gross Profit

The Group's gross profit during the Period amounted to RMB3,042.5 million. The Group's gross profit margin increased by 0.4 percentage points, supported by effective inventory ageing optimisation and stringent discount management.

Selling & Distribution Expenses and Administrative Expenses

The Group's selling and distribution expenses during the Period were RMB2,416.4 million (first half of 2025: RMB2,508.4 million), accounting for 27.0% of the Group's revenue (first half of 2025: 27.4%). Selling and distribution expenses primarily include concessionaire fees, depreciation of right-of-use assets in relation to stores, sales personnel salaries and commissions, other depreciation and amortisation charges, and other expenses that mainly include store operation expenses, property management fees, logistics expenses and other expenses.

In line with the Group's restructuring strategy and active expense management, administrative expenses during the Period decreased by 7.6% year-on-year to RMB352.8 million (first half of 2025: RMB381.9 million), accounting for 3.9% of the Group's revenue (first half of 2025: 4.2%). Administrative expenses primarily include management and administrative personnel salaries, depreciation and amortisation charges and other expenses.

The Group's selling and distribution expenses and administrative expenses during the Period were RMB2,769.2 million, a decrease of 4.2% year-on-year. This was equivalent to 30.9% of total revenue, with the savings accruing from the active management of rentals and people efficiency.

Operating Profit

The Group's operating profit during the Period was RMB348.0 million, an increase of 23.6%. The operating margin was 3.9%, an increase of 0.8 percentage points year-on-year, supported by synergies achieved following the Group's organisational restructure.

Finance Income and Finance Costs

Finance income during the Period was RMB18.3 million, compared to RMB21.6 million in the first half of 2025. Finance costs during the Period decreased by 22.0% to RMB21.9 million, compared to RMB28.1 million in the first half of 2025. This reduction was mainly attributed to a decrease in interest expenses on lease liabilities.

Profit for the Period

During the Period, the Group recorded a net profit of RMB254.1 million, representing an increase of 27.0% year-on-year. Profit attributable to owners of the Company was RMB243.7 million, representing an increase of 29.9% year-on-year. The margin of profit attributable to owners of the Company was 2.7%, representing an increase of 0.7 percentage points year-on-year.

Working Capital Efficiency

The average inventory turnover period for the Period was 148 days (first half of 2025: 146 days). At the end of the Period, inventory aged over 12 months represented less than 9% of total inventory, reflecting the Group's successful efforts to maintain healthy inventory levels and enhance inventory efficiency. The balance of inventory as at June 30, 2026 was RMB4,668.3 million (December 31, 2025: RMB5,020.1 million). The average trade receivables turnover period was 18 days (first half of 2025: 19 days), which remained consistent with the credit terms of 30 to 60 days that the Group gives its department store counters and retail distributors. The average trade payables turnover period during the Period was 11 days (first half of 2025: 25 days).

Liquidity and Financial Resources

As at June 30, 2026, the Group maintained a strong financial position, with bank balances and cash (which consist of bank deposits over three months and cash and cash equivalents) amounting to RMB2,161.6 million (December 31, 2025: RMB1,821.9 million) while working capital (current assets minus current liabilities) was RMB6,458.8 million (December 31, 2025: RMB6,178.9 million). As at June 30, 2026, the Group had no bank borrowings (December 31, 2025: nil). Bank balances and cash and bank borrowings were mainly denominated in Renminbi.

The Group's gearing ratio as at June 30, 2026, represented by total interest-bearing borrowings (excluding lease liabilities) as a percentage of total equity, was nil (December 31, 2025: nil). The Group maintained a solid net cash position (bank balances and cash minus bank borrowings) of RMB2,161.6 million (December 31, 2025: RMB1,821.9 million).

The net cash generated from operating activities during the Period was RMB945.1 million. The Group believes its liquidity requirements will continue to be satisfied by the combination of capital generated from operating activities and future bank borrowings. The net cash generated from investing activities during the Period was RMB116.4 million, while the net cash used in financing activities was RMB373.7 million.

Capital Expenditure

The Group maintained its selective and prudent approach to capital expenditure planning, which covers: the strategic opening of new stores; the ongoing upgrade of experience-driven B&M stores that offer a better shopping experience; store productivity improvements; and the further roll-out of its long-term digital transformation strategy, namely the optimisation of its SAP ERP system. Total capital expenditure during the Period decreased to RMB96.3 million (first half of 2025: RMB119.4 million). As at June 30, 2026, the Group had no material contingent liabilities.

As at June 30, 2026, capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements was RMB17.3 million (December 31, 2025: RMB13.3 million). The Group also entered into new leases for several retail stores that have not yet commenced, with an average non-cancellable period ranging from 1 to 5 years (December 31, 2025: 1 to 3 years), with the total future undiscounted cash flows over the non-cancellable period amounting to RMB21.8 million (December 31, 2025: RMB11.9 million).

Foreign Exchange

The Group conducts its business primarily in the Greater China region and the majority of its transactions are denominated in Renminbi. As at June 30, 2026, the Group had no hedging financial instruments for managing its foreign exchange exposure. As the exchange rate of the Renminbi against foreign currencies may fluctuate, the Group may enter into forward contracts, currency swaps or options to hedge against currency risks arising from foreign currency transactions when necessary.

The Group has a dedicated treasury division and internal treasury policies and approval guidelines to manage and control its exposure to financial derivatives-related risk. The use of financial derivatives and approval procedures were in accordance with the Group's internal policies and guidelines.

PROSPECTS AND FUTURE DEVELOPMENTS

Supported by recent global sporting events, footwear and apparel retailers outperformed the broader retail market, with sales growth in the segment outpacing the overall growth of total retail sales of consumer goods in the first half of 2026, according to the National Bureau of Statistics of China. As it continues to adapt to the dynamic and ever-evolving retail landscape, the Group remains focused on improving sales quality while advancing operational excellence and its digital transformation strategy. Key priorities include enhancing its business portfolio, diversifying its channel mix, boosting operational efficiency, upholding its strategic approach to dynamic inventory management, and enforcing stringent expense control. With segmented markets and lower-tier markets penetration emerging as important growth drivers, the Group will continue to adopt a holistic approach to resource allocation to capture opportunities, mitigate challenges and strengthen its competitive advantages as it progresses toward becoming an efficient, fully integrated one stop operation.

Within its B&M retail channels, the Group will continue to advance its retail refinement strategy and strengthen offline-online integration to deliver digitally enhanced in-store experiences, while remaining closely aligned with market trends, broadening its presence across a wider range of sports categories and adopting more innovative retail formats. This includes accelerating its capture of the fast-growing segmented market – through Dynafit in the outdoor segment, Pony 1972 in the casual outdoor segment and XEXYMIX in the yoga market – using its directly operated online stores network, while further bolstering its footprint in online channels, as well as the launch of themed multi-brand stores. The Group will also continue to strategically develop its self-owned multi-brand YYQUALITY outlets as both an efficient inventory-clearance channel and an incubation platform for emerging brands, while offering consumers high-quality merchandise at exceptional value. The Group will also continue working with franchise partners to deepen its penetration and reach in lower-tier cities.

Within its online channels, the Group will build on the efficiencies gained from the consolidation of its regional WeChat stores. It will further strengthen the operational structure of its Douyin livestreaming teams, continuously leverage AI to enhance its operational capabilities and efficiency and attract targeted traffic at more competitive costs. The Group will also continue to further integrate inventory within its Douyin livestreams, introduce more enhancements to its online multi-channel footprint, and refine product selection and stock planning to accelerate the time to market for new products. It will also pursue a multifaceted approach, such as advancing Xiaohongshu grass-planting, content-driven e-commerce initiatives and in-house livestreaming and more closely linking its offline presence with the online community to further improve online profitability. The Group will also continue to capture opportunities arising from instant retail through intelligent product-to-store matching to support faster fulfilment and more efficient delivery.

The Group will continue to strengthen its strategic partnerships with business associates, broaden its collaborations in inventory sharing and mutually-connected membership programmes, which enable consumers to enjoy the same premium, member-exclusive products, offers and experiences found in the directly operated stores of these brands in the Greater China region, driving high-quality growth.

Simultaneously, the Group will continue to advance the integration and optimisation of its SAP system by leveraging its multi-functional modular capabilities and integrated business and financial operations to enable efficient decision-making. The Group will also leverage its upgraded business intelligence platforms to enable the real-time monitoring of its overall operations through cloud-based financial dashboards and other digital empowerment tools. Furthermore, the Group will continue to reinforce its in-season sell-through, off-season clearance and solid margins through its PSP, while pursuing a more agile procurement strategy and inventory management.

Despite the near-term challenges and uncertainties, the prospects for the sports industry in the Greater China region remain bright, supported by the ongoing commitment of mainland Chinese authorities to high-quality sports development and with the industry's projected expansion to over RMB7 trillion in value in 2030. Sportswear consumption growth will be further supported by the recent FIFA World Cup, and the upcoming 2027 FIFA Women's World Cup and 2028 Summer Olympic Games. These trends will continue to underpin the Group's sustainable growth momentum and strengthen its long-term operating performance, while safeguarding its dividend paying capacity.

HUMAN RESOURCES

As at June 30, 2026, the Group had approximately 17,300 employees in total. The Group provides competitive remuneration packages that are determined with reference to prevailing salary levels in the market and individual performance. The Company offers share awards to eligible employees in order to provide them with incentives and to recognise their contributions and ongoing efforts. In addition, the Group provides other fringe benefits, such as social insurance, mandatory provident funds, medical coverage and training programmes for employees based on their respective personal career development.

INTERIM DIVIDEND AND SPECIAL DIVIDEND

The Board has resolved to declare an interim dividend of HK$0.016 in cash per Share for the six months ended June 30, 2026 (six months ended June 30, 2025: interim dividend of HK$0.0115 per Share). In addition to the interim dividend, to reward the Shareholders' continued support, the Board has resolved to declare a special dividend of HK$0.016 in cash per Share (six months ended June 30, 2025: special dividend of HK$0.0115 per Share), bringing the total dividends declared for the Period to HK$0.032 per Share, representing a payout ratio of 60%. The interim dividend and special dividend will be paid on Friday, October 9, 2026 to the Shareholders whose names appear on the Register of Members on Wednesday, September 16, 2026.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Wednesday, September 16, 2026 to Friday, September 18, 2026, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the interim dividend and special dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Tuesday, September 15, 2026. The record date for entitlement to the interim dividend and special dividend will be Wednesday, September 16, 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended June 30, 2026, the Company repurchased a total of 10,665,000 Shares on the Stock Exchange for an aggregate consideration of HK$4,902,301 (before expenses). All the repurchased Shares were subsequently cancelled. As at June 30, 2026, the total number of Shares in issue was 5,315,514,615.

Particulars of the repurchases of Shares are as follows:

Date	Number of Shares repurchased	Purchase price per Share		Aggregate consideration (before expenses)
		Highest *(HK$)*	Lowest *(HK$)*	*(HK$)*
January 2, 2026	90,000	0.470	–	42,300
January 5, 2026	560,000	0.475	0.470	265,075
January 6, 2026	447,000	0.475	–	212,325
January 9, 2026	3,850,000	0.485	–	1,867,250
March 12, 2026	2,446,000	0.440	0.425	1,056,680
March 13, 2026	3,272,000	0.450	0.435	1,458,671
	10,665,000			4,902,301

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares as defined in the Rules Governing the Listing of Securities on the Stock Exchange ("the Listing Rules")) (six months ended June 30, 2025: nil). As at June 30, 2026 and up to the date of this announcement, the Company did not hold any treasury shares whether in the Central Clearing and Settlement System, or otherwise.

REVIEW OF ACCOUNTS

The audit committee of the Company has reviewed, with management and Messrs. Deloitte Touche Tohmatsu, the independent auditor of the Company ("Messrs. Deloitte Touche Tohmatsu"), the Group's unaudited condensed consolidated interim financial information for the six months ended June 30, 2026, the interim report, the accounting principles and practices adopted by the Group and has discussed risk management, internal controls, and financial reporting matters.

In addition, Messrs. Deloitte Touche Tohmatsu has reviewed the unaudited condensed consolidated financial information of the Group for the six months ended June 30, 2026 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the HKICPA.

CORPORATE GOVERNANCE

The Company has applied the principles of, and has complied with all applicable code provisions and, where applicable, the recommended best practices set out in Corporate Governance Code contained in Appendix C1 to the Listing Rules throughout the six months ended June 30, 2026.

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 the Company's code of conduct for dealings in securities of the Company by Directors. Having made specific enquiry by the Company 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 six months ended June 30, 2026.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Company (www.pousheng.com) and the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The 2026 interim report of the Company containing all applicable information required by the Listing Rules will be made available on the above websites and sent to the Shareholders in the manner required by the Listing Rules in due course.

ACKNOWLEDGEMENT

I would like to take this opportunity to express our sincere appreciation of the support from our customers, suppliers and Shareholders. I would also like to thank my fellow Directors for their valuable contribution and the staff of the Group for their commitment and dedicated services throughout the Period.

By Order of the Board
Chiu, Hui-Yao
Chairman

Hong Kong, August 12, 2026

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

Non-executive Directors
Mr. Chiu, Hui-Yao (Chairman), Ms. Tsai Patty, Pei Chun and Mr. Li I-nan

Executive Directors
Mr. Hu, Chia-Ho, Ms. Chang, Su-Ching (Chief Executive Officer) and Mr. Chen, Li-Chieh (Chief Financial Officer)

Independent Non-executive Directors
Mr. Feng Lei Ming, Mr. Liu, Hsi-Liang and Ms. Leung Pui Yee

Website: www.pousheng.com