

361°

**361 DEGREES
INTERNATIONAL LIMITED**

Stock Code: 1361

2026
AICHI-NAGOYA

2022
CHN · HANGZHOU

2018
INA · JAKARTA

2014
KOR · INCHEON

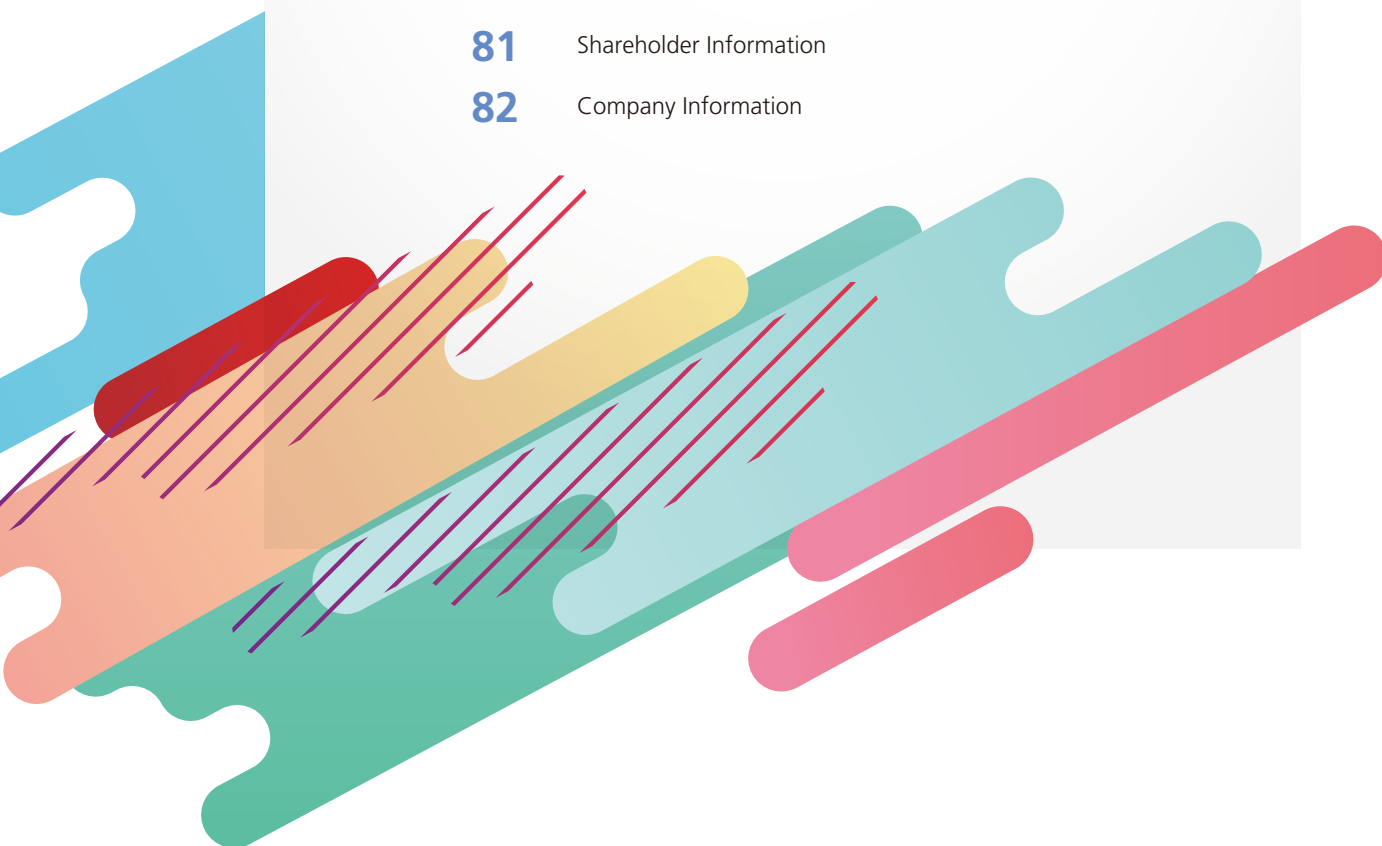
2010
CHN · GUANGZHOU



2026
INTERIM REPORT

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FINANCIAL HIGHLIGHTS

Revenue increased from **RMB5,704.8 million** to **RMB6,159.8 million**

Profit attributable to the equity holders increased from **RMB857.7 million** to **RMB925.9 million**

	For the six months ended 30 June		
	2026 (Unaudited)	2025 (Unaudited)	Change
Profitability Data (RMB'000)			
Revenue	6,159,781	5,704,830	+8.0%
Gross profit	2,572,889	2,366,450	+8.7%
Operating profit	1,200,875	1,137,251	+5.6%
Profit attributable to equity holders	925,938	857,690	+8.0%
Earnings per share – basic and diluted (RMB cents)	44.4	41.5	+7.0%
Profitability Ratios (%)			
Gross profit margin	41.8	41.5	+0.3% points
Operating profit margin	19.5	19.9	-0.4% points
Margin of profit attributable to equity holders	15.0	15.0	No change
Effective income tax rate (Note 1)	21.9	22.9	-1.0% point
Half-year return on shareholders' equity (Note 2)	8.9	8.8	+0.1% points
Operating Expenses Ratios (percentage of revenue) (%)			
Advertising and promotion expenses	9.5	10.1	-0.6% points
Staff costs	6.3	6.7	-0.4% points
Research and development expenses (Note 3)	2.9	2.8	+0.1% points

Notes:

- (1) Effective income tax rate is equal to the income tax divided by the profit before taxation for the period.
- (2) For the six months ended 30 June 2026, return on shareholders' equity is equal to the profit attributable to equity holders divided by the average of opening and closing equity attributable to shareholders of the Company for the period, excluding the net proceeds from the Subscription (as defined on page 48 of this report) of HK\$610.8 million (equivalent to RMB531.9 million) received in May 2026.

For the six months ended 30 June 2025, return on shareholders' equity is equal to the profit attributable to equity holders divided by the average of opening and closing equity attributable to shareholders of the Company for the period.
- (3) The ratio for the year is expected to range between 3% and 4%, as a result of an increase in scheduled research and development activities during the second half of 2026.

FINANCIAL HIGHLIGHTS

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)	Change
Assets and Liabilities Data (RMB'000)			
Non-current assets	1,520,992	1,584,073	-4.0%
Current assets	14,097,194	12,827,269	+9.9%
Current liabilities	3,757,021	3,836,256	-2.1%
Non-current liabilities	27,759	24,847	+11.7%
Equity attributable to equity holders	11,351,437	10,078,100	+12.6%
Non-controlling interests	481,969	472,139	+2.1%
Assets and Working Capital Data			
Current asset ratios	3.8	3.3	+0.5
Gearing ratios (%) (Note 4)	3.0	2.1	+0.9% points
Net asset value per share (RMB) (Note 5)	5.5	5.1	+7.8%
Inventory turnover days (days) (Note 6)	102	117	-15 days
Trade and bills receivables turnover days (days) (Note 7)	149	149	No change
Trade and bills payables turnover days (days) (Note 8)	59	74	-15 days

Notes:

- (4) The calculation of gearing ratio is based on the interest-bearing debt divided by the total assets of the Group as at the end of the period/year.
- (5) The calculation of net asset value per share is based on the net assets divided by total number of ordinary shares in issue (excluding treasury shares) at the end of the period/year.
- (6) Inventory turnover days is equal to the average opening and closing inventories divided by costs of sales and multiplied by 181 days (for the six months ended 30 June 2026) and 365 days (for the year ended 31 December 2025).
- (7) Trade and bills receivables turnover days is equal to the average opening and closing trade and bills receivables after allowance of doubtful debts divided by revenue and multiplied by 181 days (for the six months ended 30 June 2026) and 365 days (for the year ended 31 December 2025).
- (8) Trade and bills payables turnover days is equal to the average opening and closing trade and bills payables divided by cost of sales and multiplied by 181 days (for the six months ended 30 June 2026) and 365 days (for the year ended 31 December 2025).

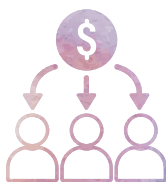
OVERVIEW OF INTERIM RESULTS

FINANCIAL PERFORMANCE



Revenue
increased by 8% to

RMB6.16 billion



Profit attributable to equity
holders increased by 8% to

RMB926 million



Net cash generated from
operating activities increased
by 17% to

RMB612 million



Interim dividend per
ordinary share

HK22.2 cents

Payout ratio 45%



NUMBER OF STORES

2,202

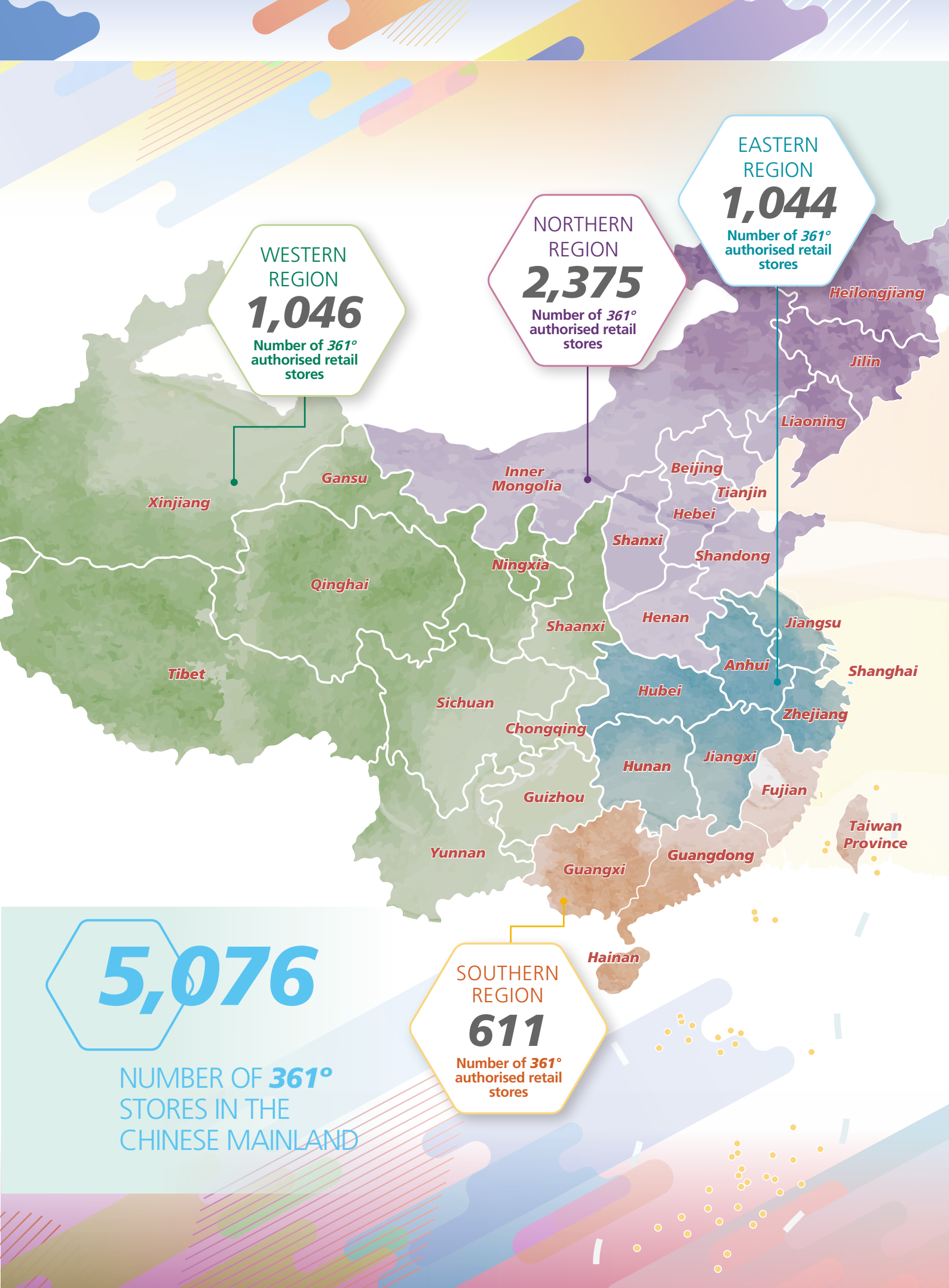
NUMBER OF **361°**
KIDS POINTS-OF-SALE
IN THE CHINESE MAINLAND

1,167

NUMBER OF **361°**
INTERNATIONAL
POINTS-OF-SALE

188

NUMBER OF **361°**
SUPER PREMIUM
STORES



WESTERN
REGION
1,046
Number of 361°
authorised retail
stores

NORTHERN
REGION
2,375
Number of 361°
authorised retail
stores

EASTERN
REGION
1,044
Number of 361°
authorised retail
stores

SOUTHERN
REGION
611
Number of 361°
authorised retail
stores

5,076

NUMBER OF 361°
STORES IN THE
CHINESE MAINLAND

CHAIRMAN'S STATEMENT

Dear shareholders,

On behalf of the board (the “Board”) of directors (the “Directors”) of 361 Degrees International Limited (the “Company”), I am pleased to present the interim results of the Company and its subsidiaries (collectively referred to as the “Group” or “361° Group”) for the six months ended 30 June 2026 (the “period under review”).

In the first half of 2026, the global economy continued to show signs of fragmentation, with heightened geopolitical tensions further increased uncertainty. However, China's economy maintained steady and positive momentum, driven by policy guidance and endogenous resilience. Domestic demand for sports consumption continued to be unleashed, with the event economy and outdoor sports emerging as the core industry growth drivers. Driven by the growing popularity of national fitness, consumer demand for sports goods shifted from meeting basic functionality to professional, scenario-based, high-quality, and value-driven consumption. This clear structural upgrading trend in the industry has created a favourable operating environment supporting the Group's sound operations.

During the period under review, the Group reported a revenue of RMB6.16 billion, representing a year-on-year increase of 8.0%. Profit attributable to equity holders was RMB926 million, representing a year-on-year increase of 8.0%. In recognition of the shareholders' trust and support for the Group, the Board has resolved to declare an interim dividend of 22.2 HK cents per ordinary share for the period under review, representing a dividend payout ratio of 45%.

The 361° Group has always upheld the brand ethos of “ONE DEGREE BEYOND” (多一度熱愛) and remained committed to its brand positioning as a “professional, youthful, and internationalised” brand, consistently delivering high-value mass-market professional sports products to global consumers. Driven by industry innovation and event partnerships to enhance brand influence, the Group continued to reinforce the competitive advantages of its core categories while accelerating its presence across diverse emerging sports segments, steadily broadening the strategic depth for the brand's long-term development.

Omnichannel Upgrading and Deeper Global Expansion

The Group remains steadfast in its consumer-centric approach and is advancing its omnichannel integration throughout its online-offline platforms. Through initiatives such as retail scenario innovation and global market expansion, we continue to enhance our market share and retail operational efficiency.

As of 30 June 2026, the Group had a total of 5,076 361° branded stores in the Chinese mainland. During the period under review, the Group continued to optimise its store channel structure, resulting in robust growth in retail sales.

The Super Premium Store (超品店) format continued to expand. As of 30 June 2026, a cumulative total of 187 Super Premium Stores had been launched nationwide. We had opened one additional Super Premium Store in Cambodia, bringing the total number of Super Premium Stores to 188. Built on the innovative model of “thousand-square-metre space, comprehensive multi-category coverage, and one-stop self-service shopping”, the Super Premium Store has established a proven model for channel innovation.

The forerunner of “1+6” new retail omnichannel operating model. 361° is one of the earliest sports brands to achieve full systematic integration of multi-platform omnichannel operations. In February 2026, 361° entered into a partnership with “JD Instant Delivery” (京東秒送), marking the full implementation of its instant retail strategy, under which offline physical stores now simultaneously operate across six online channels, effectively expanding the store's service radius and delivery efficiency. At the same time, we continued to enhance the capabilities of frontline retail staff into versatile talents equipped with full-domain operational capabilities, thereby enhancing service quality and sales efficiency.

CHAIRMAN'S STATEMENT

International business continued to deepen. During the period under review, the Group had 1,167 offline points-of-sales (“POSs”) in the overseas market (excluding the Chinese mainland), covering regions such as the Americas, Europe, and regions alongside the Belt and Road Initiative, while actively expanding into global markets through cross-border e-commerce platforms and standalone sites. Overseas retail sales achieved a year-on-year increase of over 80% and overseas cross-border e-commerce sales marked a year-on-year increase of over 140%, demonstrating significant effectiveness of our internationalisation efforts.

The e-commerce business remained committed to a differentiated exclusive-product strategy. Capitalising on emerging consumer trends in sports such as tennis, badminton, and pickleball, it achieved simultaneous growth in both revenue and operational profitability. In addition, ONEWAY, a Finnish professional outdoor brand, achieved a breakthrough in the Greater China market, with multiple outdoor products receiving positive market feedback.

Empowering the Event Ecosystem, Strengthening the Brand's Professional Competitiveness

The Group adheres to a two-way synergy between top-tier international event partnerships and proprietary event operations, building a professional, normalised, and internationalised brand event ecosystem. This approach has continuously reinforced our brand's professional credentials, enhanced global exposure, and deepened consumer mindshare.

As the official partner of the Asian Games for five consecutive editions, event partnership has become a core resource in the Group's international brand strategy. In June 2026, we unveiled the sportswear for the torchbearers of the Asian Games Aichi-Nagoya. Furthermore, the Group continues to enrich its brand event portfolio by serving as a global partner of World Aquatics, supporting the successful hosting of its events, and acting as the Honorary Partner of the Qingdao Marathon for the third consecutive year. Coupled with the on-court endorsement and empowerment from our international ambassador lineup, these initiatives have collectively demonstrated the technological strength and professional pursuit embodied in our products.

In terms of proprietary event operations, the Group continues to iterate and upgrade its mass-participation event system, regularly operating its own events such as the “3# Track” (三號賽道), “Light Up” (觸地即燃), “Women's Fitness Gym” (女子健身局), and the “SWING AS ONE” (一拍即合), broadening the brand's reach in the mass sports arena. In April 2026, the new season of “Light Up” (觸地即燃) underwent comprehensive optimisation across competition system, visual identity, storytelling, and commercial conversion, propelling grassroots basketball events into a new phase of ecosystem development.



CHAIRMAN'S STATEMENT

Dual-Track Synergy to Build a Differentiated Product Portfolio

Guided by the development strategy of “technology-driven, brand-first”, the Group continues to strengthen its foothold in core segments such as running and basketball, while positioning itself in emerging segments including trail running, women’s sports, and racquet sports, seizing growth opportunities through agile deployment.

Running – Building a full-scenario product ecosystem. In March 2026, the “Flying Flame 5” (飛燃5) Tokyo-exclusive coloured edition running shoes made their debut at the Tokyo Marathon, where running brand ambassador GUAN Yousheng (管油勝) achieved outstanding results, fully validating the Group’s product iteration capabilities in professional racing footwear. In the trail running segment, the “Peak Pierce V1” (凌刺V1) and “Peak Pierce V2” (凌刺V2) were launched, receiving widespread recognition from professional runners. Additionally, the “Titan 4CQT” (泰坦4CQT) running shoes were specifically designed for HYROX comprehensive fitness training, bridging the product gap between road running and comprehensive training.

Basketball – Ambassador lineup reinforcing international positioning. In February 2026, we partnered with our global brand ambassador Nikola JOKIĆ to launch the second-generation signature basketball shoes, the “JOKER2 GT”. In May 2026, the flagship guard shoes, “BIG3 7.0 PRO”, made their debut at the Drew League in the United States, completing overseas on-court validation. At the 27th China (Jinjiang) International Footwear Expo, we showcased new products, including the “JOKER2”, “JOKER2 GT”, and “ZEN VIII” (禪8), covering the full spectrum of the lineup from entry-level performance shoes to premium signature models, solidifying the international positioning of our basketball category.

Expanding into emerging segments to reach younger consumer demographics. During the period under review, the Group launched the “Wenqing” (穩擎) all-round hard-court tennis shoes, the “Match Point” (賽點) professional pickleball shoes, and the “Victory PRO V2” (制勝PRO V2) professional badminton shoes, precisely addressing the professional needs of different sports scenarios. In women’s sports, we continued to operate the “Women’s Fitness Gym” (女子健身局) community and launched the “I Am Colourful” (我自多彩) thematic campaign, building a women’s sports ecosystem from products to experiences through integrated online-offline marketing. The deployment in emerging segments not only drives business growth in the short term but also builds differentiated competitive advantages for the long term.

Strengthening Professional Resources and Product Technology to Consolidate the “Youth Sports Expert” (青少年運動專家) Positioning

361° Kids carries forward the athletic DNA of the core brand, with its brand statement of “CHASING YOUR LOVE!” (熱愛吧, 少年!) and a clear positioning as the “Youth Sports Expert”. Its product line covers professional segments, including running, basketball, football, rope skipping, outdoor activities, and campus life. During the period under review, 361° Kids continued to consolidate its first-mover advantage in the kids’ sportswear market, maintaining steady and robust growth. As of 30 June 2026, the number of 361° Kids POSs reached 2,202 in the Chinese mainland, anchored by fifth-generation stores and Super Premium Stores (超品店), forming a modern, multi-dimensional terminal channel system.

Professional event resource deployment continued to break new ground. 361° Kids is a strategic partner of the International Jump Rope Union, the exclusive title sponsor of the 2026 Asian Rope Skipping Championship and the 2027 World Jump Rope Championships, and has served as the official partner of the China National Rope Skipping Team for a long time. At the same time, we deepened our footprint in football and basketball by partnering with “Beijing Guoan Junior Training” (北京國安少訓) and the “China Football Development Foundation” (中國足球發展基金會), and signed three young basketball players as brand ambassadors. During the period under review, the 5th “National Rope Skipping Competition” (第五屆全國跳繩大賽), the “Light Up-Junior Basketball Game” (觸地即燃少年賽), the “361° Football Champions Cup” (361°足球冠軍杯), and a series of other events were regularly held across multiple cities nationwide, contributing to the steady expansion of the kids’ business.

CHAIRMAN'S STATEMENT

In terms of product research and development (“R&D”), 361° Kids aligned its efforts closely with the development characteristics of adolescents, the demands of sport-specific training, and the needs of campus physical fitness tests. It launched technology-driven products, including the “Flying Dagger-axe” (飛戈) training running shoes, the “Swift Leaping” (靈躍) rope skipping shoes, and the “Wind Hunter” (獵風) professional football shoes, while also developing the “Feiyan” (飛燕) youth competitive training running shoes, continuously broadening its target audience and application scenarios.



Technology-Driven Product Innovation and Green Operations in Pursuit of Social Responsibility

The 361° Group regards technology as the most powerful driving force behind our corporate growth. We have continued to increase R&D investment and have widely applied multiple low-carbon technologies to our products. Our research and innovation centre has fully leveraged its platform capabilities as a National Advanced Technology Enterprise, National Industrial Design Centre, and National Intellectual Property Advantage Enterprise, driving continuous breakthroughs in product performance.

The Group actively assumes its social responsibilities, focusing on charitable relief and environmental protection. In March 2026, 361° launched the “Mountain Clean-up Hiking Initiative” (淨山徒步) community activity under its “Lightweight Adventure Series” (輕野系列), integrating outdoor sports with environmental public welfare. In July 2026, we joined hands with the China Charity Federation (中華慈善總會) to donate RMB10 million worth of emergency supplies to aid the disaster-stricken areas in Guangxi Province, demonstrating our corporate social responsibility through concrete actions.

Outlook

On behalf of the Board, I would like to express our sincere gratitude to all shareholders, friends from all sectors, dedicated employees, and partners for their long-standing trust and support for the development of the 361° Group. Looking ahead to the second half of the year, the 361° Group will reinforce its brand positioning as “professional, youthful, and internationalised”, focus on technological innovation and brand building, accelerate penetration into segmented scenarios, and build a high-value, multi-category sports product ecosystem. We will steadily advance the execution of our strategic initiatives, continue to cultivate high-potential emerging markets globally, create long-term value for our shareholders, and contribute to the high-quality development of China’s sports industry.

Ding Huihuang
Chairman

Hong Kong SAR (“Hong Kong”) of the Peoples’ Republic of China (“PRC”), 18 August 2026

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In the first half of 2026, China's economy demonstrated steady progress, with sports consumption becoming a key pillar that fosters domestic demand expansion

In the first half of 2026, uncertainties persisted in the international geopolitical landscape. The global economic recovery saw stark divergence, with overall growth under mounting pressure and inflation remaining elevated. China's economy maintained steady progress, with export volume expanding steadily and scientific and technological innovation continuing to empower industrial upgrading. Combined with front-loaded fiscal policies, the macroeconomy demonstrated robust development resilience. According to the National Bureau of Statistics ("NBS"), China's Gross Domestic Product ("GDP") reached RMB69,570.4 billion in the first half of 2026, marking a year-on-year increase of 4.7%. The ongoing optimisation and upgrading of domestic industrial structure have contributed growth momentum to the global economy.

Regarding overall consumer spending in China, the domestic consumer market faced pressure in terms of overall volume and showed pronounced structural divergence in the first half of 2026. The growth rate of total retail sales of social consumer goods slowed, with service consumption outperforming physical goods consumption and online channels growing faster than offline brick-and-mortar stores. Nevertheless, demand related to residents' health and fitness continued to expand, offering further opportunities for expansion across market segments. According to the NBS, the total retail sales of consumer goods (the "retail sales") for the first half of 2026 reached RMB24,872.2 billion, representing a year-on-year increase of 1.3%. Specifically, online retail sales of goods were RMB6,429.6 billion, representing a year-on-year increase of 4.8%. Retail sales of clothes, shoes, hats, and textiles reached RMB770.9 billion, representing a year-on-year increase of 6.7%, and outpacing the average growth of overall retail sales. Residents' awareness of health management has continued to rise. Sports footwear and apparel, which combine everyday wearability with professional athletic functionality, have sustained relatively steady demand and outperformed most discretionary consumer goods. Currently, boosting

consumption remains a key focus of domestic macroeconomic policy. Coordinated fiscal, financial, and industrial support policies have been rolled out to foster diverse new consumption scenarios. As a key segment in the emerging consumption landscape, sports consumption is expected to unlock further growth potential for the domestic demand market.

Intensive sports industry policies were rolled out in the inaugural year of the 15th Five-Year Plan, with top-level design guiding the industry's high-quality development

As the inaugural year of the 15th Five-Year Plan, 2026 has witnessed a clearer top-level design and implementation roadmap for the development of the sports industry. In the first half of the year, China successively introduced new policies to support the industry development. Various measures continued to broaden mass sports consumption scenarios and unlock growth potential for the industry. In early 2026, the General Office of the State Council issued two documents in succession: the *2026 First Batch List of Key Priorities for the "Efficient One-Stop Service" Reform* and the *Work Plan for Accelerating the Cultivation of New Growth Drivers in Service Consumption*. The documents explicitly include streamlining approval procedures for sports events as a key reform focus for this year; identifying sports event services as a high-potential growth sector; and proposing the organisation of more high-quality events, accelerating the market-oriented and commercialised operation of major competitions, and boosting sports event-related consumption. In May 2026, the National Conference on Sports Industry (the "Conference") further defined the 15th Five-Year Plan period as a critical stage for the sports industry to grow into a pillar industry of the national economy. All sports authorities at various levels are required to deepen development in three major areas: the event economy, winter economy, and outdoor sports. The Conference reaffirmed the goal of lifting the total scale of China's sports industry to exceed the RMB7 trillion mark by 2030 and positioned 2026 as a pivotal year for the sports industry to embark on a new journey. This suite of supporting policies provides policy-level support for the sector's standardised medium- and long-term development.

MANAGEMENT DISCUSSION AND ANALYSIS

In July 2026, the General Administration of Sport of China officially issued the “15th Five-Year Plan for Building a Leading Sports Powerhouse”, which further anchors five quantitative development indicators and sets out systematic arrangements building on the tone set out at the Conference. It explicitly promotes the establishment of a special “Science and Technology Empowering Physical Fitness” programme to support the R&D of high-end gear and equipment, and improves the youth sports competition system, thereby providing clear policy guidance for the professional upgrading and consumption scenario expansion of the sports footwear and apparel industry.

Growth momentum of the sports footwear and apparel industry, driven by technology, the event economy, and the outdoor sports boom

In the first half of 2026, China’s sports footwear and apparel industry sustained growth momentum through synergistic efforts in technological innovation, channel optimisation, and overseas expansion. The industry ramped up R&D investment in sports technology and sustainable materials, while continuing to refine industry-academia-research collaborative innovation mechanisms. Both professional product performance and eco-friendly design experienced simultaneous upgrades, and sustainable production and the adoption of environmentally-friendly fabrics have become standard development priorities for all brands. Retail channels continued to optimise integrated online-offline operation models, with instant retail formats gaining faster penetration. Brands adopted differentiated online product portfolios to stabilise pricing across channels. Offline stores underwent ongoing structural upgrades; enterprises scaled up investment in high-standard flagship and mall outlets integrating experience, social interaction, and customer services. Higher per-store revenue emerged as the primary driver of offline growth. Meanwhile, bolstered by the rise of Chinese labels and untapped consumption potential in emerging overseas markets, domestic sports brands have accelerated their global expansion. Adopting a dual-track strategy of physical store establishment and cross-border e-commerce penetration, overseas markets are gradually transitioning from the proof-of-concept stage to tangible revenue delivery, and are poised to become a core long-term growth engine for the sector.

International professional competitions and major domestic events have been held in an orderly manner, while the urban light outdoor sports trend persists. Sports consumption scenarios are becoming increasingly fragmented and specialised, continuously driving demand for various categories of professional gear and casual sports goods. In the first half of 2026, a series of international events, including the FIFA World Cup co-hosted by the United States, Canada, and Mexico, the F1 Chinese Grand Prix, and the WBC China Tournaments, was successively staged, immensely boosting national sentiment for sports consumption. Coupled with regular city marathons, dragon boat races, and hiking activities nationwide, market demand for professional carbon-fibre running shoes, competitive basketball gear, outdoor equipment, and other products saw steady growth. On the other hand, lifestyles such as women’s fitness, short-distance camping, and urban cycling fuelled rapid growth in relevant product categories. Consumption of functional apparel tailored for yoga, tennis, and other sports, as well as outdoor items featuring sun protection and breathability, continued to surge. Participation in youth-favourite sports such as skateboarding and badminton has expanded year by year. Winter sports are also gradually breaking seasonal constraints and shifting toward year-round regular consumption.



MANAGEMENT DISCUSSION AND ANALYSIS

Sub-segments such as children's sports and youth sports consumption have emerged as one of the industry's most reliable growth drivers. Education policies explicitly mandate that "primary and secondary school students shall engage in daily comprehensive physical activities of not less than two hours". Meanwhile, youth sports, including basketball, football, rope skipping, and badminton, have evolved toward

competitive and professional standards, fuelling growing demand for children's sports equipment. Simultaneously, parents' consumption mindset is shifting from "prioritising cost-effectiveness" to "pursuing professional performance". Children's sports gear has evolved from basic consumer goods into high-value products featuring professional functionality, sports technology, and premium branding. The value chain of youth sports consumption continues to extend and expand.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

361° Brands and Positioning

The 361° Group is a leading integrated sportswear company in China with a vertically integrated value chain. Since its establishment in 2003, the 361° brand has embodied the brand spirit of “ONE DEGREE BEYOND” (多一度熱愛), dedicating itself to becoming a globally respected sports brand. The Group maintains its positioning as a “professional, youthful, and internationalised” brand, and by persisting in the development strategy of “technology-driven, brand-first”, the Group offers consumers high-value professional sports products for the mass market. At the same time, the Group taps into new consumer segments, expands brand influence, and promotes stable business growth while satisfying the demands of its core consumers.

The 361° brand primarily targets the mass professional sports market, specialising in offering professional products with a higher price-to-performance ratio in categories such as running, basketball, and diversified sports life. This strategic approach caters to the needs of consumers seeking excellence in professional sports and active living.

The 361° Kids brand operates as an independent business unit, carrying forward the brand ethos of “ONE DEGREE BEYOND” (多一度熱愛) of the 361° brand. With the brand statement “CHASING YOUR LOVE!” (熱愛吧, 少年!), the 361° Kids brand positions itself as the “Youth Sports Expert” (青少年運動專家), with a focus on sports market for children and teenagers.



Efficient and Flexible Business Model

361° is primarily engaged in brand management, R&D, design, manufacturing, and distribution of products. The Group strategically adopts a distributorship business model, partnering with primary distributors that distribute 361° branded products on an exclusive basis in their respective designated geographical regions. These distributors may, with approval from the Group’s retail channel management department, either independently establish stores or distribute 361° products to authorised retailers. This approach enables the Group to concentrate resources on brand management, product R&D, and other strategic priorities, while maintaining stable cooperation with competent distributors and authorised retailers to reach the market in an efficient manner.

Currently, the Group has established a comprehensive distributor management system to ensure the accurate representation of its brand, design concept, and product functions at every retail touchpoint. Annual renewals with exclusive distributors cover key terms related to geographical exclusivity, product exclusivity, payment terms, order requirements, and store management. Meanwhile, through the organisation of multiple training programmes throughout the year, the Group helps distributors and authorised retailers gain up-to-date knowledge about the latest technological attributes of products, enabling them to assist consumers in making well-informed purchase decisions. Furthermore, the Group assures a consistent store image nationwide by standardising product displays and promotion materials in individual stores, whilst launching effective marketing campaigns to ensure standardised and high quality operations across sales outlets nationwide.



MANAGEMENT DISCUSSION AND ANALYSIS

The Group employs a systematic order management model that effectively ensures efficient supply, easy tracking of stock levels, and a stable price system. The Group organises four trade fairs each year to showcase upcoming products, inviting distributors and authorised retailers to participate. Orders from authorised retailers are consolidated by their respective primary distributors and submitted centrally to the Group, which then reviews the orders and make suggestions for more logical product selection, ensuring optimal retail inventory levels and stable retail discounts, in a bid to support the sustainable development of the distributors and authorised retailers and achieve a win-win outcome for all. These trade fairs typically take place six months before the launch of the relevant new products to ensure sufficient production time and delivery cycles for orders, effectively enhancing visibility of the Group's sales revenue. During the period under review, the Group hosted two 361° brand product trade fairs in total, including the 2026 Winter Trade Fair and the 2027 Spring Trade Fair. Solid growth in purchase orders was recorded at both trade fairs, driven primarily by the increase in order volumes.

361° Core Brand's PRC Retail Network

As of 30 June 2026, the Group had a total of 5,076 361° branded stores in the Chinese mainland. Geographically, approximately 76.3% of the stores were located in third-tier and lower-tier cities in China, while 5.3% were in first-tier cities and 18.4% in second-tier cities in China. The Group encourages its distributors and authorised retailers to open larger stores, upgrade to the latest store image, and increase the proportion of new stores in shopping malls, department stores, and shopping centres. In the first half of 2026, the Group reported ongoing optimisation of its store channel mix. The combined share of the latest 10th-generation and 9th-generation stores stood at 74.9%. The retail sales recorded

robust performance. Going forward, the Group will continue to drive steady improvement in average store productivity to reflect the effectiveness of our channel optimisation.

The Group seeks to consistently provide an excellent shopping experience for consumers by identifying new consumer preferences and trends and is actively expanding its network of 361° Super Premium Stores (超品店). As of 30 June 2026, there were a total of 187 361° Super Premium Stores in the Chinese mainland, including 152 Core Brand Stores and 35 Super Premium Stores for kids. We have opened one additional Super Premium Store in Cambodia, bringing the total number of Super Premium Stores to 188. As a new retail format, the Super Premium Store has established a distinctive competitive edge by adopting the core model of "thousand-square-metre space, comprehensive multi-category coverage, and one-stop self-service shopping" to build an "all-sports equipment hub for the general public". The stores operate on a self-service model with a scientifically planned product display layout, effectively catering to diverse sports scenarios, which creates an immersive, independent, and hassle-free shopping experience for consumers, significantly cutting staffing requirements and enabling controllable labour costs. From an operational perspective, during grand openings and daily operations, the stores actively launch multiple marketing initiatives. Highly anticipated premium products are typically launched to swiftly boost store popularity, effectively driving sales upon opening and increasing the repurchase rate. In addition, through the innovative inter-connection model of "product launch – event experience – retail scenario" in relation to exclusive products for Super Premium Stores, such as the "Furious" (飛颯) and "Flying Flame" (飛燃) core series, as well as professional swimsuits, racquets and accessories, the Group has continuously enhanced consumer engagement as well as store foot traffic, reinforcing the Group's leading position in the sector of quality-for-money mass sports equipment.



MANAGEMENT DISCUSSION AND ANALYSIS

Authorised retail stores of 361° core brand by region are set out as follows:

	As of 30 June 2026		As of 31 December 2025	
	Number of 361° authorised retail stores	% of total number of 361° authorised retail stores	Number of 361° authorised retail stores	% of total number of 361° authorised retail stores
Eastern region ⁽¹⁾	1,044	20.6	1,100	20.4
Southern region ⁽²⁾	611	12.0	651	12.0
Western region ⁽³⁾	1,046	20.6	1,147	21.3
Northern region ⁽⁴⁾	2,375	46.8	2,496	46.3
Total	5,076	100.0	5,394	100.0

Notes:

- (1) Eastern region includes Jiangsu, Zhejiang, Hubei, Anhui, Hunan, Shanghai and Jiangxi.
- (2) Southern region includes Guangdong, Fujian, Guangxi and Hainan.
- (3) Western region includes Sichuan, Yunnan, Guizhou, Shaanxi, Xinjiang, Gansu, Chongqing, Qinghai, Ningxia and Tibet.
- (4) Northern region includes Shandong, Beijing, Liaoning, Heilongjiang, Hebei, Henan, Shanxi, Jilin, Tianjin and Inner Mongolia.



MANAGEMENT DISCUSSION AND ANALYSIS

361° New Retail Strategy

During the period under review, the Group continued to advance its digital retail transformation. Following the successive rollout of “Meituan Flash Delivery” (美團閃購), “Meituan Group Purchase” (美團團購), and “Taobao Flash Sale” (淘寶閃購) services last year, the Group conducted in-depth strategic partnership with “JD Instant Delivery” (京東秒送) in February 2026, formally completing its omnichannel instant retail layout. At present, more than 1,000 physical stores across over 160 cities nationwide have launched these services simultaneously. The Group has activated the localised instant service capabilities of its offline store network, effectively extending its service catchment area, optimising service turnaround time, and unlocking new growth channels for POSs sales.

361° actively rolled out its “1+6” omnichannel new retail strategy, namely the “One Store, Six Operations” model. Leveraging a single physical store, the Group simultaneously launched in-store services, including “Douyin Local Life” (抖音本地生活) and “Meituan Group Purchase” (美團團購), along with home delivery services covering the official website mall, “Meituan Flash Delivery” (美團閃購), “JD Instant Delivery” (京東秒送), and “Taobao Flash Sale” (淘寶閃購). This transformation marks a paradigm shift from isolated single-point sales to omnichannel consumer reach and makes it one of the first sports brands to systematically roll out the store-based new retail model, thereby building a competitive advantage in offline retail sales.

To enhance its new retail operations, 361° has strengthened its frontline talent system, organising nearly 300 special training sessions each year. It enables in-store sales associates to expand their roles from fundamental sales and product display to digital functions, including private domain operation, online order fulfilment, short-video content creation, and in-store livestreaming. It cultivates a new generation of frontline teams proficient in managing Key Opinion Sales (KOS) and Key Opinion Consumer (KOC) operations, builds differentiated competitive advantages, and lays a solid foundation for the ongoing implementation of its new retail strategy.



ONEWAY

In the first half of 2026, ONEWAY, a Finnish outdoor sports brand, achieved major breakthroughs in the Greater China market. The brand established its differentiated positioning around two core scenarios: “lake-themed outdoor activities” (湖系戶外) and “forest hiking” (森林徒步). It built a three-tier content marketing matrix consisting of professional in-depth product reviews, community content seeding, and organic user word-of-mouth, successfully launching multiple core blockbuster products. The brand also launched a new premium outdoor eyewear product line, fostering simultaneous growth in brand awareness and sales. In the future, the brand will continue to drive the evolution of the consumer experience from a “product-oriented” to a “scene-driven” approach, constantly expanding its depth and boundaries in the outdoor lifestyle field.

MANAGEMENT DISCUSSION AND ANALYSIS

Brand Promotion and Marketing

361°'s brand resource matrix is built on a foundation of professional sports and has progressively evolved into a robust matrix encompassing major sports events, professional teams, elite athletes, and brand ambassadors. Building on its established foundation, the Group plans and allocates its brand resources with a global strategic vision.

The Group has long been committed to advancing the development of the sports sector. Since the 2010 Asian Games Guangzhou, it has consistently provided robust professional support and resource empowerment for multiple Asian Games, steadily strengthening its influence on the Asian sports stage. In 2026, 361° supported the Asian Games Aichi-Nagoya as an official partner. In June 2026, to mark the 100-day countdown to the Asian Games opening ceremony, 361° officially unveiled the official sportswear designed for torchbearers. As the official partner of the Olympic Council of Asia ("OCA") for 17 consecutive years, 361° continues to deepen its partnership with the Asian Games, accumulate event service expertise, and build brand equity while conveying the spirit of Chinese sports to consumers worldwide. In addition, the Group has further expanded its international sports resources by serving as a global partner of World Aquatics. It has signed sponsorship agreements with multiple national delegations, including those of Cambodia and Uruguay, effectively reinforcing the Group's professional image and brand recognition in emerging high-potential markets. Leveraging its comprehensive, multi-tiered international sports resources network, 361° has further strengthened its global brand awareness and professional reputation. The brand consistently translates the influence of top-tier sporting events into sustainable momentum for global operations, driving in-depth advancement of its international footprint.

In addition to sponsoring major sports events, the Group continuously develops diversified marketing campaigns that align closely with consumer preferences and behaviours. Meanwhile, the Group actively participates in industry exchanges and cooperation, closely following global technological development trends. In April 2026, 361° showcased its full lineup of new products at the 27th China (Jinjiang) International Footwear and the 10th International

Sports Industry Expo, demonstrating its R&D capabilities and comprehensive product portfolio in the professional sports segment to industry peers. Furthermore, the Group actively expands its presence in mass trendy sports. In June 2026, 361° became the exclusive sponsor of the 2026 Cross-Strait Hip-Hop Dance Competition. The brand leverages the hip-hop culture to foster exchanges between young people across the Taiwan Strait and reinforce its youthful brand image. Moving forward, 361° will actively support and participate in various sporting events. It will collaborate with various partners to fuel the vigorous growth of the sports industry and continuously strengthen its professional brand identity and global influence.

In the running segment, we recorded significant growth in our professional racing products through systematically building a nationwide running community alliance system. In March 2026, 361° took part in the Tokyo Marathon for the second consecutive year. The brand debuted its latest flagship running shoes "Flying Flame 5" (飛燃5) Tokyo-exclusive coloured edition at the Tokyo Marathon Expo, featuring a product display area, interactive experience zone and runner exchange area, drawing numerous runners to try on and test the footwear. GUAN Yousheng (管油勝), the Group's running brand ambassador, secured second place among all Chinese male participants at the 2026 Tokyo Marathon with his personal best record. In April 2026, as the official Honorary Sponsor of the Qingdao Marathon for three consecutive years, 361° engaged extensively with the Qingdao Marathon and collaborated with the event organising committee to launch a full set of limited-edition merchandise exclusively for the 2026 Qingdao Marathon.



MANAGEMENT DISCUSSION AND ANALYSIS

The “3#-Track 10 Kilometres Racing Series” (三號賽道10KM競速系列賽) is a benchmark professional racing event created by 361° on a proprietary basis, striving to offer a platform for high-standard competition for elite runners pursuing speed. The series has developed into one of the most prominent branded proprietary races in China in recent years with increasing influence amongst the running community. In March 2026, the “3#-Track 10 Kilometres Racing Series” (三號賽道10KM競速系列賽) was held in Linyi, Shandong Province. Through refined competition format and newly added divisions including university student group and physical fitness test group, this season’s events cater to runners of all proficiency levels. A pre-race professional sharing session is arranged at every leg of the series, where industry experts share scientific running knowledge and training techniques to deliver a professional road running experience for participants. This fully embodies the Group’s user-centric philosophy and its proactive efforts to build a complete industrial ecosystem spanning products and services. In the future, 361° will continue to act as a companion and motivator for runners. By continuously upgrading event services and professional sports equipment, the brand will foster the popularisation and high-quality development of running culture across China.

In the basketball segment, the Group continues to deepen its collaborations with international basketball stars. Through the strategic integration of ambassador resources and innovative marketing approaches, we are accelerating the brand’s globalisation process and strengthening its professional sports image. In January 2026, 361° global brand ambassador Nikola JOKIĆ was selected for the American Professional Basketball League All-Star Game for the eighth time, marking his sixth consecutive year in the starting lineup. In February 2026, leveraging its ambassador’s distinctive traits, 361° upgraded his exclusive signature footwear and launched the second signature shoes, “JOKER2 GT”. In addition, the Group keeps expanding its overseas event cooperation footprint. In June 2026, 361° sponsored Team I-CAN of the Drew League in the United States. All team players competed wearing the flagship guard basketball shoes “BIG3 7.0 PRO”, whose professional technical performance supported athletes’ on-court competitiveness. This collaboration marks another showcase of grassroots Chinese basketball talent on the global stage, building a bridge for basketball exchange between China and abroad and creating a growth pathway for domestic players to compete at an international level. Moving forward, centring on the ambassador’s distinctive traits, the Group will systematically roll out and iterate signature basketball shoes,

professional apparel, accessories and other product lines. By leveraging consistently on star athlete IP value, exposure at top-tier tournaments, and overseas event sponsorships, 361° will reinforce its professional sports positioning and continue to drive international market penetration in the basketball segment.



At the same time, the Group has also achieved success with its proprietary basketball event, “Light Up” (觸地即燃), which is designed to motivate basketball enthusiasts and teams, while continuously enhancing the brand’s influence within the basketball community. In April 2026, the opening match of the 2026 season of the “Light Up” (觸地即燃) series took place in Dalian, Liaoning Province. This season underwent a profound evolution across four key dimensions, including the competition system, visual identity, player storytelling, and commercial value realisation, thereby transforming the tournament from a single-venue competitive event into a brand-new phase of development focused on building a comprehensive grassroots basketball ecosystem. The 2026 season of “Light Up” (觸地即燃) continued to feature a junior version, providing a platform for young players dreaming of success and growth in basketball to showcase their talents. The event pursued downstream geographical expansion, extending its footprint to numerous prefecture-level cities across the country. This move refined 361°’s strategic positioning across both professional competitions and mass-participation sports, consolidating the brand’s leading position and core influence in the field of grassroots basketball.

Regarding sports in sub-segments and emerging sectors, 361° continued to keep pace with market trends and iterate on consumer demands, accelerating its expansion into various emerging sports and forging deeper connections with young consumers. In May 2026, 361° launched its new summer

MANAGEMENT DISCUSSION AND ANALYSIS

Dopamine Melody trainers and held an event at its Zhengzhou store together with brand ambassador ZHANG Doudou (張豆豆) to boost the summer sports product launch. Moreover, the Group launched the “Wenqing” (穩擎) all-round hard-court tennis shoes and the “Match Point” (賽點) professional pickleball shoes, both featuring specialised technologies, to expand its presence in emerging racquet sports, precisely target young and middle-class sports enthusiasts, and enhance brand awareness within these niche markets. In June 2026, 361° successfully hosted the Chengdu leg of its “SWING AS ONE” (一拍即合) badminton city competition, promoting the “Victory PRO V2” (制勝PRO V2) professional badminton shoes to provide badminton enthusiasts with professional equipment. In June 2026, 361° actively expanded into the emerging HYROX fitness sector by hosting the “High Intensity, Strong Protection – Titan 4CQT Comprehensive Fitness Training Class” (上強度 強保護—泰坦4CQT綜合體能訓練課堂) in Guangzhou. Through hands-on HYROX experiences, the event showcased the performance of the “Titan 4CQT” running shoes and provided an interactive platform for athletes. By leveraging innovative competition to achieve deep integration between the brand and sporting events, the Group collaborated with its physical stores to drive direct targeted customer traffic and sales conversion, further enriching the brand’s product portfolio to meet diverse sporting consumers’ needs.



During the period under review, 361° continued to focus on the women’s sports sector, steadily strengthening its brand competitiveness and influence in the women’s sports market through product innovation, themed experiential activities, and the creation of women-centric consumer scenarios. In March 2026, 361° launched the “I Am Colourful” (我自多彩) women’s campaign. Adhering to a community-based operating philosophy, it collaborated with stores in multiple cities nationwide to create exclusive in-store women’s sports experience zones, attracting a number of female consumers

to participate and effectively strengthening users’ awareness of and fondness for the brand’s women’s sports products. In April 2026, 361° further partnered with the professional fitness platform Keep to launch the “I Am Colourful” (我自多彩) online fitness challenge, precisely targeting the female fitness community. Through an integrated online-offline marketing model, it continued to expand the reach and market influence of women’s sports scenarios, thereby deepening its professional footprint in the women’s sports sector. During the period under review, it brought together several sports stars, including brand ambassador ZHANG Doudou (張豆豆), women’s training ambassadors JIANG Wenwen (蔣文文) and JIANG Tingting (蔣婷婷), and tennis ambassador WANG Xiaotong (王小童) to support product promotion and empower diverse women in sport.



To further closely align brand communication and consumer preferences and achieve an organic integration of professional sports and trend culture, the Group continues to launch series of IP co-branded products, reaching younger demographics while enhancing brand vitality and emotional resonance. During the period under review, 361° launched a range of co-branded products such as “tokidoki” and “Peppa Pig” (小豬佩奇), which have been highly favoured by young consumers. In terms of collaboration models, the Group continuously explores innovative pathways by integrating the creative strengths of brand resources, IP owners, designers and others. This collaborative approach infuses products with unique elements that combine playfulness and design sensibility, consistently expanding the boundaries of the sports lifestyle. Moving forward, the Group will continue to deepen our dialogue with younger generations through flexible and diverse crossover collaborations, driving ongoing innovation for the brand in the realm of sports and trends.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets out all of the Group's sports event sponsorships in recent years:

Sponsorship period	Location	Sports events	Capacity
2023–2026	France	Paris Star 10km Race	Official Footwear Sponsor
2024–2026	The US	OC Marathon	Official Footwear Sponsor
2024–2026	China	Qingdao Marathon	Honorary Partner
2024–2028	China	Fuzhou Marathon	Top Strategic Partner
2025–2026	France	Mont Blanc Marathon	Exhibitor
2025–2026	Germany	Berlin Half Marathon	Exhibitor
2025–2026	Italy	Milan Marathon	Exhibitor
2025–2026	Japan	Tokyo Marathon	Exhibitor
2026	Japan	Asian Games Aichi-Nagoya	Official Partner
2026	China	Hengshui Lake Marathon	Top Partner
2026	China	SKYLINE Trail Series (Liriver Trail Run)	Premium Partner
2026	The US	Corona 5000 Run	Official footwear and prize money sponsor
2026	The US	Brea 8K Run	Official Footwear Sponsor
2026	The US	Derby Day 8K Run	Official Footwear Sponsor
2026	The US	5K "Run for the Birds"	Official Footwear Sponsor
2026	The UK	Keswick Mountain Festival Trail Run	Sponsor
2026	Cyprus	TUI Cyprus Marathon	Sponsor
2026	Italy	Romeo & Giulietta Run Half Marathon	Exhibitor
2026	South Africa	Dirtopia Trail Run	Official Sponsor
2026	South Africa	The Donut Run	Official Sponsor
2026	South Africa	Two Oceans Marathon Expo	Exhibitor
2026	South Africa	Sanlam Cape Town Marathon Expo	Exhibitor

The following table sets out all the organisations and institutions in collaboration with the Group during the period under review:

Names of organisations and institutions	
Olympic Council of Asia	Official Partner
World Aquatics	Global Partner
Tianjin University of Sport	Strategic Partner

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets out all of the Group's sporting team sponsorships during the period under review:

Name of sporting team	
China National Karate Team	China National Handball Team
Macau, China Delegation	Cambodian Delegation
Kyrgyz Delegation	Mongolian Delegation
Tajik Delegation	Turkmen Delegation
Uruguay Delegation	Shandong Triathlon Team
Tianjin Municipal Swimming Team	Beijing Muxiyuan Sports Technology School
Beijing Xiannongtan Sports Technology School	Shandong Terpsichorean Association
Tianjin Judo Association	

The following persons have or had been the Group's spokespersons during the period under review:

Athletes

Name of spokespersons	Sports	Key achievements in recent years
FENG Dan 馮丹	Running	1st in Women in the 2026 Qingdao Half Marathon 3rd in Women in the 2026 Yancheng Marathon 1st in Women in the 2025 Yancheng Marathon 1st in Women in the 2025 Qingdao Half Marathon 2nd in Women of China in the 2025 Dalian Half Marathon 1st in Women of China in the 2025 Beijing Miyun Half Marathon 3rd in Women of China in the 2025 Taiyuan Marathon 1st in Women in the 2025 Tangshan Half Marathon 1st in Women in the 2025 Xichang Qionghai Half Marathon 1st in Women in the 2025 Guang'an Half Marathon 3rd in Women in the 2025 Yiwu Half Marathon 2nd in Women in the 2025 Fuzhou Half Marathon

MANAGEMENT DISCUSSION AND ANALYSIS

Name of spokespersons	Sports	Key achievements in recent years
GUAN Yousheng 管油勝	Running	2nd in Chinese Men in the 2026 Tokyo Marathon 2nd in Men of China in the 2026 Guiyang Marathon 3rd in Chinese Men in the 2025 Tokyo Marathon 1st in Men of China in the 2025 Jilin Marathon 1st in Men of China in the 2025 Changchun Marathon 1st in Men in the 2025 Yuxi Marathon 3rd in Men in the 2025 Yibin Yangtze River First City Half Marathon 1st in Men in the 2025 Chengdu Marathon 2nd in Men in the 2025 Xichang Marathon 2nd in Men in the 2025 Huizhou Marathon
LIU Wenqing 劉文清	Running	1st in Women in the 2026 Beijing Daxing Half Marathon 2nd in Women in the 2026 Chinese Athletics Association 10KM Elite Series (Haidian Event) 2nd in Women in the 2026 Qingdao Half Marathon 3rd in Women in the 2026 Shijiazhuang Half Marathon
LI Zicheng 李子成	Running	1st in Men in the 2026 Baoqing Marathon 3rd in Men of China in the 2026 Qingdao Marathon 1st in Men in the 2026 Huai'an Marathon 1st in Men in the 2026 Taihu Tuying Marathon 1st in Men in the 2026 Tongxiang Half Marathon 1st in Men in the 2026 Nanjing Half Marathon 2nd in Men in the 2026 Nanjing Bei'an Marathon 2nd in Men in the 2026 Dongji Half Marathon 2nd in Men in the 2025 Nanjing Pukou Marathon 1st in Men in the 2025 Qidong Half Marathon 3rd in Men of China in the 2025 Qingdao Marathon 1st in Men in the 2025 Baoqing Marathon 1st in Young Men in the 2025 Mount Tai International Mountain Climbing Festival 1st in Men in the 2025 Panjin Red Beach Marathon 1st in Men in the 2025 Tianjin Wuqing Half Marathon 1st in Men in the 2025 Tangshan Marathon 1st in Men in the 2025 Xiaogan Marathon 1st in Men of China in the 2025 Nanjing Marathon 1st in Men in the 2025 Fujian Xianyou Marathon 1st in Men in the 2025 Fuzhou Marathon 1st in Men in the 2025 Juxian Half Marathon

MANAGEMENT DISCUSSION AND ANALYSIS

Name of spokespersons	Sports	Key achievements in recent years
PAN Yuanchen 潘元晨	Running	1st in Women in the 2026 Shijiazhuang Marathon 1st in Women in the 2026 Wuhan Half Marathon 1st in Women in the 2026 Chongqing Dazu Half Marathon 2nd in Women in the 2026 Yan'an Marathon 1st in Women in the 2026 Chinese Athletics Association 10KM Elite Series (Hubei Daye Event) 4th in Women of China in the 2025 Wuhan Marathon 2nd in Women in the 2025 Liuzhou Half Marathon 1st in Women in the 2025 Chongqing Rongchang Half Marathon 2nd in Women in the 2025 Baoji Marathon 4th in Women of China in the 2025 Beijing Marathon 4th in Women in the 2025 Fuzhou Marathon 2nd in Women in the 2025 Putian Marathon 1st in Women in the 2025 Chongqing Zhongxian Half Marathon 2nd in Women in the 2025 Chinese Athletics Association 10KM Elite Series (Chongqing Event)
WANG Jiahao 王佳浩	Running	1st in Men in the 2026 Nanjing North Bank Marathon 2nd in Men in the 2026 Nanjing Half Marathon 1st in Men of China in the 2026 Qingdao Marathon 1st in Men of China in the 2026 Miyun Marathon 3rd in Men of China in the 2026 Jilin Marathon 1st in Men in the 2025 Nanjing Pukou Marathon 1st in Men of China in the 2025 Shijiazhuang Marathon 1st in Men in the 2025 Yangling Marathon 1st in Men of China in the 2025 Qingdao Marathon 2nd in Men of China in the 2025 Jilin Marathon 1st in Men of China in the 2025 Miyun Marathon 3rd in Men in the 2025 Xi'an Marathon 1st in Men in the 2025 Baoji Marathon 2nd in Men of China in the 2025 Nanjing Marathon

MANAGEMENT DISCUSSION AND ANALYSIS

Name of spokespersons	Sports	Key achievements in recent years
YAO Yuzhou 姚玉舟	Running	1st in Women of China in the 2026 Qingdao Marathon 1st in Women in the 2026 Hefei Luogang Half Marathon 3rd in Women in the 2026 Nanjing North Bank Half Marathon 3rd in Women in the 2025 Shanghai Half Marathon 3rd in Women of China in the 2025 Shijiazhuang Marathon 3rd in Women of China in the 2025 Qingdao Marathon 3rd in Women of China in the 2025 Jilin Marathon 1st in Women of China in the 2025 Shenyang Marathon 2nd in Women of China in the 2025 Taiyuan Marathon 3rd in Women of China in the 2025 Yellow River Estuary (Dongying) Marathon 1st in Women in the 2025 Tangshan Marathon 3rd in Women in the 2025 Yichang Marathon 2nd in Women in the 2025 Chuzhou Marathon 3rd in Women of 2025 Changzhou Elite Tournament
XIE Jie 謝杰	Running	1st in Men in the 2025 Liyang Tianmu Lake Half Marathon 2nd in Men of China in the 2025 Hangzhou West Lake Half Marathon 3rd in Men in the 2025 Chinese Athletics Association 10KM Elite Series (Yueyang Event) 2nd in Men in the 2025 Yichang Half Marathon, 1st in Men of China in the 2025 Yichang Half Marathon 2nd in Men in the 2025 Chinese Athletics Association 10KM Elite Series (Jiashan Event)
Aaron GORDON	Basketball	International basketball superstar A player of American Professional Basketball League Champions for 2022–2023 season
LI Yuan 李緣	Basketball	A player of the 2025-26 Women's Chinese Basketball Association Finals Champions and MVP A player of the 2023 FIBA Women's Asia Cup Champions A player of the champions of the women's basketball tournament at the 19th Hangzhou Asian Games

MANAGEMENT DISCUSSION AND ANALYSIS

Name of spokespersons	Sports	Key achievements in recent years
Nikola JOKIĆ	Basketball	International basketball superstar A player and FMVP of American Professional Basketball League Champions for 2022–2023 season MVP of the regular season for the 2020–2021, 2021–2022 and 2023–2024 American Professional Basketball League season
JIANG Wenwen JIANG Tingting 蔣文文 蔣婷婷	Artistic swimming	World artistic swimming champions
SUN Yang 孫楊	Swimming	Champion in the Men's 4 × 100 metre freestyle relay at the 15th National Games of the People's Republic of China Runner up in the Men's 4 × 200 metre freestyle relay at the 15th National Games of the People's Republic of China Champion in the Men's 4 × 200 metre freestyle relay at the 2025 National Swimming Championships 2nd runner up in the Men's 400 metre freestyle at the 2025 National Swimming Championships
ZHANG Doudou 張豆豆	Gymnastics	6th in Group All-Around at the 2013 Rhythmic Gymnastics World Championships
LIN Guibu 林貴埔	Badminton	Champion in the Men's Singles at the 2019 National Badminton Championships Champion in the Men's Singles at the 2014 BWF World Junior Championships
WANG Xiaotong 王小童	Tennis	Champion in the Women's Doubles at the 2026 UAE ITF J100 Champion in the Women's Doubles at the 2026 Romania ITF J200 Champion in the Women's Singles at the 2026 Alma-Ata ITF J200 Champion in the Women's Singles at the 2024 Junior Orange Bowl U16 (the first Chinese champion)
Fabrice ARMBRUSTER	Running	Finisher of the UTMB Alsace by Courmayeur 100KM
Julio Lopez PENA	Running	Finisher of the Valencia Marathon
Vicky HOGG	Running	Finisher of the MTC LEJOG
Wil CHUNG	Steeplechase	Finisher of the OCR Community World Championships

MANAGEMENT DISCUSSION AND ANALYSIS

Name of spokespersons	Sports	Key achievements in recent years
Thomas CREMERS	Triathlon	Champion in the 2026 Dutch National Tandem Cycling Championships 8th in the 2025 World Triathlon Middle Distance Duathlon Championships 5th in the 2024 Alsdorf Middle Distance Duathlon Championships in Europe 16th in the Double Winners of 2024 European Olympic Games 1st in the 2024 NED Sprint Duathlon National Championships 2nd in the 2024 Stevenslea Half Marathon

Celebrity

AO Ruipeng 敖瑞鹏	N/A	A famous Chinese actor
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361°
薄荷了

冰感科技 #TICE 香露技术 #FRESHTECH

361°品牌代言人
敖瑞鹏

冰感香伴
夏日无汗

30分钟内
体感最大降温 $\geq 4^{\circ}\text{C}$

以市售产品为准

MANAGEMENT DISCUSSION AND ANALYSIS



361° Kids Business

During the period under review, 361° Kids business recorded a revenue of RMB1.35 billion, accounting for approximately 21.9% of the Group's total revenue, and representing a year-on-year increase of 6.8%.

361° Kids inherits the professional athletic DNA of our 361° core brand, with its own brand statement of "CHASING YOUR LOVE!" (热爱吧, 少年!), positioning itself as the "Youth Sports Expert" (青少年運動專家). With a product line covering professional and lifestyle segments such as running, basketball, football, rope skipping, badminton, outdoor activities and campus life, 361° Kids is committed to meeting the diversified needs for sporting goods for children and teenagers. As a first mover in the domestic kids' sportswear market, 361° Kids has maintained its leading market position through continuous in-depth cultivation and product innovation, and developed into one of the important drivers for the Group's steady growth.

With parents placing greater emphasis on their children's health through sports, and national education policies continuing to prioritise physical activity, the kids' sporting goods market is poised for broader growth. In response, 361° Kids has continuously expanded its product portfolio, focusing on school sports, physical training, as well as everyday activities. 361° Kids has deepened its presence in core sports categories such as running, basketball, football and rope skipping, to extend its share in the market of professional children's sports products.

MANAGEMENT DISCUSSION AND ANALYSIS

During the period under review, 361° Kids launched products in the running category, including the “blade technology” (刀鋒科技) running shoes, the “Feiyan I” (飛燕I代) running shoes for speed training for youth, and the “Lightweight Oxygen 3.0” (輕氧3.0) and “Light Ling 3.0” (輕冷3.0) running shoes, catering to various scenarios. Among them, the “Feiyan I” (飛燕I代) running shoes for professional competitive training of youth precisely target the critical demand for physical fitness tests in primary and secondary schools with enhanced physical fitness scores as the core selling point. They received wide recognition from the market. In the football category, 361° Kids launched the “Wind Hunter 2.0” (獵風2.0) football shoes, further improving grip and support. In the rope skipping category, 361° Kids launched the “Swift Leaping 2.0V2” (靈躍2.0 V2) competitive rope skipping shoes, the same model as the national team’s competitive rope skipping flagship shoes, cementing its leadership position in professional rope skipping equipment. In the basketball category, with the support of 361° global brand ambassador Nikola JOKIĆ, the Group upgraded and launched the “Drift 3.0” (漂移3.0) basketball shoes designed specifically for youth training and competition.

Furthermore, the Group has extended the 361° Kids shoes and apparel product line to cover the 16-year-old age group and launched designs that better align with teenagers’ athletic characteristics and aesthetic preferences, while expanding the size range to accommodate a wider range of young consumers. In May 2026, 361° Kids launched the trendy series and the “Mini Ice-Skin” (小冰皮) series equipped with skin cooling technology. While enhancing the cooling sensation, breathability, and comfort, it also caters to fashionable design and daily wear needs, further enriching the product series for kids.

In terms of technological R&D, 361° Kids continues to enrich its exclusive technological system for kids. It applies innovative technologies such as “SWIFT REBOUND technology” (迅彈科技), “Fei technology” (飛科技), “Lightweight Oxygen technology” (輕氧科技) and “QU!KBONE Arch Stability System” (QU!KBONE足弓穩定系統) to multiple product series, achieving improvements in aspects such as cushioning and rebound, propulsion efficiency, stable support, and breathability and comfort, thereby empowering the physical performance of kids and teenagers with technology.



Through continuous refinement of the product portfolio and the enhancement of technological functionality, 361° Kids is committed to providing professional, systematic, and safe sports equipment for children and teenagers, consolidating its position as a professional leader in the children’s sportswear field.

MANAGEMENT DISCUSSION AND ANALYSIS



As at 30 June 2026, the Group had a total of 2,202 POSs in the Chinese mainland offering 361° Kids products, among which, 510 POSs were located within 361° core brand stores, selling both 361° brand products and 361° Kids products. Geographically, approximately 67.4% of the POSs were in third-tier and lower-tier cities in China, while 6.6% and 26.0% of the POSs were located in first-tier and second-tier cities in China, respectively. The Group actively adapted to changes in consumption trends by implementing differentiated layouts in store space design and product displays, and will continue to expand into diverse new retail formats in the future.

The following table sets out the number of authorised POSs of 361° Kids (including those operated within the 361° core brand authorised retail stores) by regions:

	As of 30 June 2026		As of 31 December 2025	
	Number of 361° Kids authorised POSs	% of total number of 361° Kids authorised POSs	Number of 361° Kids authorised POSs	% of total number of 361° Kids authorised POSs
Eastern region ⁽¹⁾	437	19.8	474	20.0
Southern region ⁽²⁾	294	13.4	323	13.7
Western region ⁽³⁾	458	20.8	485	20.5
Northern region ⁽⁴⁾	1,013	46.0	1,082	45.8
Total	2,202	100.0	2,364	100.0

Notes:

- (1) Eastern region includes Jiangsu, Zhejiang, Hubei, Anhui, Hunan, Shanghai and Jiangxi.
- (2) Southern region includes Guangdong, Fujian, Guangxi and Hainan.
- (3) Western region includes Sichuan, Yunnan, Guizhou, Shaanxi, Xinjiang, Gansu, Chongqing, Qinghai, Ningxia and Tibet.
- (4) Northern region includes Shandong, Beijing, Liaoning, Heilongjiang, Hebei, Henan, Shanxi, Jilin, Tianjin and Inner Mongolia.

MANAGEMENT DISCUSSION AND ANALYSIS

361° Kids Collaborative Resources:

Sponsorship period	Partner	Capacity
Sporting team		
2019–2027	Beijing Guoan Junior Training (北京國安少訓)	Partner
2022–2028	China National Rope Skipping Team	Official Partner
Athletes		
2023–2026	LV Xiaoming 呂曉明	361° Brand Ambassador
2025–2026	AN Xiaoyu 安小雨	Chief Product Recommender of 361° Kids
2026	5 champion members of China National Rope Skipping Team (including DU Tingting 杜婷婷)	Rope Skipping Star Team of 361° and Rope Skipping Product Recommender of 361° Kids
2026–2027	CHEN Yifan 陳一帆, XIANG Zilong 向紫龍 and ZI Zaifei 自在飛	Teenage Basketball Ambassador of 361°
Sports events		
2026	Asian Rope Skipping Championship	Exclusive Sponsor
2027	World Jump Rope Championships	Exclusive Title Sponsor
Organisations and institutions		
2026–2027	International Jump Rope Union	Strategic Partner
2026–2028	China Football Development Foundation	Public Welfare Partner

During the period under review, 361° Kids brand successfully hosted two trade fairs in total, which were the 2026 Winter Trade Fair and 2027 Spring Trade Fair. Orders placed across these two trade fairs achieved solid growth, primarily driven by continuous increase in order volumes.

In terms of connecting brand resources with end customers, 361° Kids, as the official partner of China National Rope Skipping Team, a partner of “Beijing Guoan Junior Training” (北京國安少訓), the strategic partner of the International Jump Rope Union, the exclusive title sponsor of 2027 World Jump Rope Championships and the exclusive sponsor of 2026 Asian Rope Skipping Championship, has continuously integrated professional sports resources to empower brand development. 361° Kids appointed LV Xiaoming (呂曉明), a renowned former basketball player, as the head coach for 361° Youth Basketball. The brand has also invited five champion members of the China National Rope Skipping Team (including DU Tingting (杜婷婷), China’s first women’s World Rope Skipping Master and Asian rope skipping master), to be the Rope Skipping Star Team of 361° and Rope Skipping Product Recommender of 361° Kids, and appointed leading rope skipping influencer AN Xiaoyu (安小雨) as Chief Product Recommender of 361° Kids, which strengthened professional endorsement of the products. In the football and basketball

categories, 361° Kids has deepened cooperation with “Beijing Guoan Junior Training” (北京國安少訓), secured support from the China Football Development Foundation, and signed three core players (namely CHEN Yifan 陳一帆, XIANG Zilong 向紫龍 and ZI Zaifei 自在飛) as youth basketball ambassadors, continuing to support the development of youth football training and youth basketball sports in China. Meanwhile, the Group broadened its reach among children and teenagers who are passionate about sports through a diverse range of brand activities, monetising professional endorsements to drive retail performance.

During the period under review, 361° Kids organised a series of sports events such as the “5th National Rope Skipping Competition” (第五屆全國跳繩大賽), the “Light Up-Junior Basketball Game” (觸地即燃少年賽), the “361° Football Champions Cup” (361°足球冠軍杯) and the “Young Athletes” (運動少年) in major cities across the country. These events covered a wide range of sports, including running, basketball, football, and rope skipping. While providing a platform for kids and teenagers to showcase their talent and excellence, these sports events have continued to drive retail momentum and further strengthened the brand’s professional sports positioning.

MANAGEMENT DISCUSSION AND ANALYSIS

361° International Business

During the period under review, the Group had a total of 1,167 offline POSs in overseas markets (excluding the Chinese mainland) for selling the 361° products, with business covering regions such as the Americas, Europe, and the Belt and Road Initiative regions, including a Super Premium Store in Cambodia. 361° international retail sales marked a year-on-year increase of over 80.0%.

The Group has consistently pursued a proactive approach to strategically position itself in international markets and steadily enhance brand recognition worldwide. The Group has actively expanded its overseas business by leveraging cross-border e-commerce platforms. We have established standalone sites and official websites in markets across the Americas and Europe, while collaborating with well-known local e-commerce platforms in Southeast Asia. Through developing targeted operational strategies and curating product offerings tailored to consumer preferences across different countries, the Group has successfully penetrated local markets, enhancing the brand's visibility and influence within overseas e-commerce channels. During the period under review, sales of overseas cross-border e-commerce marked a year-on-year increase of over 140%.

Leveraging its portfolio of sponsorships for top-tier international tournaments, R&D capabilities for professional products, and experience in omni-channel operations accumulated over the years, the Group has established a solid foundation for the brand's global expansion. With a global roster of brand ambassadors and professional products proven in international competitions, our products benchmark against top-tier international standards. Furthermore, our digital retail ecosystem, coupled with an agile supply chain response capability, provides efficient operational support for continuous expansion into overseas markets.

To bolster the Group's expansion into incremental markets, the Group is accelerating the development of a second curve overseas. While consolidating our core markets across the Americas, Europe, and the Belt and Road Initiative regions, the Group will actively expand into high-potential emerging markets in Africa and the Middle East, focusing on markets with demographic dividends, young populations, high spending power, and high sports participation rates. Leveraging our proven cross-border strategies, brand equity, and global influence, the Group will continue to accelerate the brand's internationalisation process anchored in professional sports performance. We remain highly confident in the future growth trajectory of our international business.



MANAGEMENT DISCUSSION AND ANALYSIS

E-Commerce Business

During the period under review, the Group's e-commerce business placed greater emphasis on operational optimisation, resulting in a significant improvement in profitability. Revenue from e-commerce business amounted to RMB1.99 billion and accounted for 32.3% of the Group's total revenue, representing a year-on-year increase of 9.5%.

Our e-commerce business carries the dual mission of sales and brand reshaping, serving as both an important product distribution channel and a key platform for conveying brand identity. In recent years, 361° e-commerce business has maintained robust growth momentum. Through strategies such as online-exclusive products and online-offline synergetic development, it has achieved outstanding retail performance, becoming a key growth engine for the Group. The Group places high importance on leveraging e-commerce channels to respond agilely to consumer trends and precisely match user needs, committed to providing consumers with products that offer exceptional value for money.

Operating primarily under a direct-to-consumer model, the e-commerce business serves as a vital platform for deep interaction between brands, products, and consumers. This approach simultaneously drives the development of online retail channels and strengthens the online brand image. This model facilitates in-depth insights into consumer needs and enables rapid responses, conveying brand value through compelling product narratives. Meanwhile, the Group maintains a differentiated product strategy across online-offline channels, fully leveraging the unique advantages of online-exclusive offerings to deliver a differentiated shopping experience for consumers.

In addition, the Group has continued to enhance product design and quality, increasing investments in technology, materials, and design to continually expand its product portfolio, aiming to meet diverse consumer demands while driving complementary and synergistic growth across online-offline channels. Our e-commerce business prioritises core profit channels and operational capability development. By integrating high-quality platforms and resources both on-site and offsite, it enhances target group penetration and strengthens original content capabilities. Furthermore, it leverages expanded brand influence, enhanced follower engagement, and vertical community marketing to improve marketing effectiveness across multiple dimensions.

The Group conducts its online business primarily through renowned e-commerce platforms in China, including Tmall, Taobao, JD.com and VIP.com. At the same time, it actively expands into various emerging e-commerce channels and effectively utilises offsite traffic attraction tools to enhance our brand exposure.

During the period under review, the Group actively capitalised on key e-commerce marketing events. Leveraging the operational advantages of the e-commerce business, characterised by rapid responsiveness and agile product development, the Group has actively expanded into high-potential emerging categories such as tennis, badminton, and pickleball. By deepening our engagement with segmented sporting communities, precisely capturing consumer trends, and deploying a specialised product portfolio tailored to vertical scenarios, we have efficiently addressed the diverse needs of sports enthusiasts. In addition, the Group concentrated on the promotions of core premium products during major promotion periods to effectively drive a stable growth in online sales. Facing a complex and volatile market environment, our e-commerce business has continued to demonstrate robust growth resilience and competitive strength.



MANAGEMENT DISCUSSION AND ANALYSIS



Production

During the period under review, the Group maintained its production policy, which emphasised a balanced approach between in-house production and outsourcing to original equipment manufacturers (“OEM(s)”) in terms of cost optimisation, production efficiency, and protection of intellectual property rights. For footwear products, the Group manufactured approximately 39.4% of its footwear products in-house at its three self-owned factories in Jiangtou and Wuli Industrial Complex in Jinjiang, Fujian Province and Dazhou, Sichuan Province in the PRC, while the remaining is outsourced to a number of high-quality OEMs. For apparel products, our Wuli Industrial Complex in Jinjian, Fujian Province, and self-owned factory in Liuzhou, Guangxi Province, can meet approximately 23.0% of the Group’s production requirements, while the remaining is outsourced to several high-quality OEMs. In late last year, the Group strategically acquired two factories. Besides bolstering in-house production capacity, this move has reduced our reliance on third-party OEMs. This strategic shift has effectively lowered production costs, safeguarded the Group’s proprietary technologies, and laid a solid foundation for our future business expansion.

The Group is committed to upgrading its supply chain system through sustained efforts to enhance its market-responsive capabilities and exercise refined control over production costs, thereby supporting overall business development. In addition, the Group actively encourages its core suppliers to expand their production capacities and optimise layout, driving the overall upgrading of the supply chain. Such efforts have not only effectively supported the growth of supply chain partners, but have also effectively addressed challenges arising from issues such as energy supply, labour recruitment, raw material costs and unforeseen events, thereby enabling them to provide better and more stable production services to the Group. The long-term synergy between the Group and its supply chain partners has enabled the establishment of stable, mutually beneficial strategic partnerships, cultivating a relationship grounded in mutual trust and symbiosis.

MANAGEMENT DISCUSSION AND ANALYSIS

R&D

During the period under review, the Group's expenditure on R&D accounted for 2.9% of the Group's total revenue, representing a year-on-year increase of 13.0%. In line with its focus on professional sports, the Group continued to increase its investment in professional sports such as running and basketball, in an effort to drive the systematic upgrade of its product functionality and technical services system.

The Group's research and innovation centre in Wuli Industrial Complex in Jinjiang, Fujian Province has advanced R&D capabilities and research facilities capable of supporting experiments and development across multiple areas, including intelligent sports equipment, structural sports equipment, functional sports equipment, and innovative materials R&D. The Group has been recognised with various national-level qualification certifications, such as National Advanced Technology Enterprise, National Industrial Design Centre, National Intellectual Property Advantage Enterprise, "Innovation China" Doctoral Innovation Station (「科創中國」博士創新站), and "China Light Industry Sports Footwear and Apparel Human Factors Engineering Technology Research Centre" (中國輕工業運動鞋服人因工效工程技術研究中心). These qualifications and platforms reflect the Group's extensive experience in sports technology R&D, human factors engineering applications, and intellectual property system development, laying a solid foundation for continuous product innovation and professional performance enhancement.

361° always leverages technology innovation as the primary driver of the Company's continuous growth, striving for professional-grade performance at accessible price points. Underpinned by innovations in materials technology, product portfolio expansion, and sports science, the Company continues to introduce new products designed to deliver outstanding performance. In January 2026, the Group launched the "Biospeed 5 PRO" (飈速5PRO) and "Track Power" (賽道小強) youth running shoes tailored for physical fitness tests. The "Biospeed 5 PRO" (飈速5PRO) innovatively integrates a dual-layer carbon fibre structure within its fibreglass plate, markedly enhancing toe-off propulsion. Meanwhile, with four core strengths featuring "robust core support, superior control, enhanced durability, and optimal breathability", "Track Power" (賽道小強) precisely caters to physical test training. In February 2026, 361° launched the "Miro NUDE SL" (栗蜂SL) super training shoes that first introduced the "Ice Feather" (冰羽) technology in the upper, delivering an exceptional combination of strength, ultra-light performance, and superior breathability. In March 2026, the third generation of the "Cyclone Family" (疾風家族) was fully rolled out, covering the full spectrum from flagship racing to mass-market training. The product line comprises "Cyclone MAX" (疾風MAX) "Cyclone ET II" (疾風ET II) "Cyclone LITE III" (疾風LITE III) and "Q! Bounce Super 7" (Q!彈超7). In June 2026, the fourth generation of the Titan family of running shoes was launched following a comprehensive upgrade. The lineup includes the flagship "Titan IV MAX" (泰坦IV MAX), the advanced "Titan IV CQT" (泰坦IV CQT), and the entry-level "Titan IV LITE" (泰坦IV LITE). These models are designed to address three scenarios, including jogging support for heavier runners, long-distance training, and daily jogging and commuting. Concurrently, the Group launched the "Feiran Dual Realm" (飛然雙境) running shoes, designed for hybrid workouts in all weather conditions.



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In the basketball category, in February 2026, “JOKER2 GT”, the second-generation signature shoes of Nikola JOKIĆ, was officially launched. Incorporating an ergonomic design and a brand new dual-blank system, it is paired with QU!K LIGHT forefoot and heel dual-layer frames and a “Carbon-Inlaid TPU” (碳鑲玉) anti-torsion plate to deliver rapid propulsion feedback and exceptional stability. In March 2026, the “ZEN VIII” (禪8) equipped with a full-length CQT QU!K midsole and “Diamond Grip” (大磨王) technology, was unveiled, striking a balance among lightweight construction, breathability, and abrasion resistance. In May 2026, the brand-new seventh-generation “BIG3 7 PRO” was launched, featuring a dual-blank midsole structure and a reticulate lightweight rubber process. This configuration delivers a lightweight feel with smooth propulsion. In June 2026, the “Warp Speed” (超飜) basketball shoes were launched. Featuring a wide-last design, C-FLOW PRO cushioning and rebound technology, and the Diamond Grip outsole, it is engineered to accommodate various foot shapes.

In the badminton category, 361° launched the professional badminton shoes, “Winning PRO V2” (制勝 PRO V2), in April 2026, which continued to adopt the full-length CQT super-critical foam midsole and a dual material anti twist system. The upper was upgraded to woven fabric, significantly improving comfort and durability.

For women’s training products, the Group launched new spring products in the “New Skin SE” (新肌SE) series in January 2026, including “New Skin SE Zip-up Hoodie” (新肌SE開襟衛衣) “New Skin SE Scimitar Pants” (新肌SE彎刀褲) “New Skin SE Pullover Sweatshirt” (新肌SE套頭衛衣) “New Skin SE Wutong Pants” (新肌SE梧桐褲) “New Skin SE Flare Pants” (新肌SE喇叭褲) “New Skin PRO Sports Bra” (新肌PRO運動Bra) and other products. In April 2026, the “Mini Ice-Skin 3.0” (小冰皮3.0) women’s fitness sun-protection apparel was launched. Featuring “Ice Cool Technology 2.0” (冰沁科技2.0), it delivers built-in yarn-based sun protection with a UPF 50 rating, making it suitable for various scenarios such as training and daily wear.



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In the kids category, 361° Kids launched the rope skipping shoes “Spry Hop 2.0 V2” (靈躍2.0 V2) specially designed for rope skipping in January 2026. This product series, through targeted technological configurations, comprehensively addresses functional demands in rope skipping, such as stability, rebound, breathability, and protection, providing professional equipment support for youth rope skipping training. In March 2026, 361° Kids launched the youth racing running shoes “Feiyan G-I” (飛燕I代), which achieved comprehensive performance upgrades with multiple self-developed technologies, helping to improve the average performance of kilometre running.

Furthermore, with the continuous expansion of the sports shoes and apparel market and the rapid rise of the camping economy, consumer demand for outdoor activity-related products continues to grow. The Group has continued to increase its R&D effort and investment in outdoor performance products. In terms of products, 361° launched the brand new “ULTRA Extreme Velvet Inner Windbreaker” (ULTRA 極奢絨裡風衣) in February 2026, which features rain shield technology and an aerospace dynamic thermal insulation far-infrared thermal-storage composite system, effectively adapting to rain, snow and temperature changes. In April 2026, the Group launched the summer cooling technology product “Mint T” (薄荷T), which uses the ice-cooling fabric and fragrant technology to deliver a cooling sensation and a natural mint fragrance, thereby enhancing the summer wearing experience. In June 2026, the Group launched the brand new upgraded cross-country shoes, “Peak Pierce V2” (凌刺V2), which feature a highly breathable woven mesh surface, a dual-density cushioning midsole, and a full-length Michelin rubber outsole. Combined with a rocker toe-tip and a widened heel design, it enhances acceleration performance and landing stability in complex road conditions. By consistently launching technology-driven, scenario-specific outdoor products, the Group is actively expanding its presence in the rapidly growing outdoor sports market, further broadening the brand’s professional sports product portfolio.

As of 30 June 2026, the Group had obtained a total of 1,506 patents, with a total of 789 technicians engaged in R&D, comprising 393 footwear research staff, 283 apparel research staff, and 113 children and accessories R&D staff. As the Group continues to advance its product-upgrading programmes, deepen the integration of functionality and design, and remain committed to creating more distinctive and precisely tailored innovative products that meet consumer needs, it is anticipated that future R&D expenditures will remain at a relatively high level.



MANAGEMENT DISCUSSION AND ANALYSIS

AWARDS

The following table sets out key awards won by the Group during the period under review:

January 2026	361° Brand spokespersons China Tour Event was selected as the 2025 "Annual Sports Marketing Case" (年度體育營銷案例) by "SPORTS MONEY" (體育大生意) "The 9th China IR Annual Awards" (第九屆中國卓越 IR) "Outstanding Value Creation Award", "Outstanding Leadership Award", and "Outstanding IR Director Award" "361° Shanwenjia Technology Thermal Apparel" (山紋甲科技保暖服) was selected as the "2025 iF Design Award" (二零二五 iF 設計獎) by iF Design Award "2025 Annual Sports Industry Innovative Brand" (二零二五體育產業年度創新品牌) by "Lanxiong Sports" (懶熊體育)
February 2026	Excellence Award at the 55th (2027 Spring/Summer) Chinese Popular Fabrics
March 2026	"2025 China Intelligent Production Outstanding Application Award" (二零二五年度中國智能生產傑出應用獎) "The Partner of the Year 2026/2027 for China Fiber Fashion Trend" (中國纖維流行趨勢二零二六／二零二七年度合作夥伴)
May 2026	"361° Futura 3" was awarded the "Honorary Award of FIT Sports Design Award" (FIT運動設計獎之榮譽獎)
June 2026	The 12th Hong Kong Investor Relations Association the "Best IR Company" (最佳投資者關係公司), the "Best IR Team" (最佳投資者關係團隊), and the "Best IRO" (最佳投資者關係專員) (Mid-Cap Category) "Special Contribution Award for the Industrial Park" (園區特別貢獻獎) granted by the Management Committee for the "Jinjiang Economic Development Zone" (晉江經濟開發區管委會)

Sustainable Development

361° makes continuous efforts in sustainable development with consistent endeavours to deepen its practices and innovations in Environmental, Social and Governance ("ESG"). The Group firmly believes that, through unrelenting efforts, it will not only create greater corporate value but will also contribute to the sustainable development of society, working hand-in-hand with all sectors to create a better future. In April 2026, the Group published its 2025 ESG Report, which systematically highlights a series of accomplishments across core ESG issues.

In connection with environmental protection, 361° reduces its ecological footprint through technological innovation, and continues to step up the development and application of eco-friendly materials. It has introduced multiple low-carbon technologies in its products, such as VESTAMID® eCO E40 eco-friendly nylon midsole materials, aliphatic recycled eco-friendly insoles, and fluorine-free waterproof technology, reducing environmental impact while maintaining the professional athletic performance of the product and effectively practicing the concept of sustainable development. Among the 361° branded products, "Flying Flame 5" (飛燃 5) features VESTAMID® eCO E40 eco-friendly nylon midsole

materials. Using the innovative "Mass Balance Methodology" (質量平衡法) that integrates recycled raw materials such as waste tires and green production processes like biogas power generation, it achieves a 70% reduction in carbon emissions. The Group has established a full-chain green management system, strictly implementing environmental protection principles throughout the entire process from product design and raw material procurement to production technology. The Group is committed to minimising the environmental impact of production at the source, actively responding to industry challenges of balancing high performance and sustainability, and providing a practical, environmentally responsible path for the green development of the sports industry.

MANAGEMENT DISCUSSION AND ANALYSIS



In terms of social responsibility, 361° deeply integrates corporate citizenship into its brand's core values and is committed to giving back to society through the unique power of sports. The Group actively devotes itself to disaster relief and charitable causes, and cares for the grassroots communities. Following the fire at Wang Fuk Court, a Home Ownership Scheme estate in Tai Po, Hong Kong, in 2025, the Group urgently provided financial and material support for post-disaster reconstruction efforts. In February 2026, it also specifically allocated supplies including branded winter clothing as donation to the affected residents. In March 2026, the 361° "Lightweight Adventure Series" (輕野系列) launched the "Stacking Buff is Enough Wilderness" (疊buff才夠野) mountain-hiking community activity, which deeply integrates outdoor sports with environmental protection and public welfare, demonstrating the Group's practice and responsibility for environmental protection and social responsibility. In July 2026, 361° joined hands with the China Charity Federation to donate RMB10 million in emergency supplies to aid the disaster-stricken areas in Guangxi Province. Furthermore, the Group always adheres to its mission of "promoting the development of the sports industry". In 2026, 361° served as the official partner of the Asian Games Aichi-Nagoya, providing the official sportswear for the event. The series covers professional gear for multiple roles, including torchbearers, escort runners, volunteers, staff, and technical officials, offering comprehensive support for the efficient operation of the Games. Upholding the "Green Asian Games" philosophy, the series integrates technological innovation and sustainable development. It utilises ultra-lightweight, quick-drying polyester microfiber fabrics that meet OCA environmental standards. Additionally, some products incorporate eco-friendly recycled

polyester fibres and digital printing process, ensuring excellent functionality while actively fulfilling the commitment to low-carbon and environmental sustainability.

In the governance aspect, 361° has been engaged in ongoing improvement of its governance structure and optimisation of responsibilities at all levels to ensure scientific and efficient decision-making in business management. We have continued to intensify our efforts in building the management systems and enhance the transparency of ISO certifications, whilst an open and interactive communication platform is established for stakeholders with diverse interests, fostering mutual trust and enabling the creation of shared values. Looking ahead, the Group will continue to raise its overall governance standards by formulating long-term plans with specific goals in sustainability. In July 2026, drawing on its systematic practice in building a globalised ESG governance framework and managing overseas supply chain, 361° was awarded the "Outbound ESG Compliance Benchmark Award" (出海ESG合規標杆獎) under the 4th ESG New Benchmark Enterprise Awards (第四屆ESG新標杆企業獎) by StockStar.

Going forward, 361° will steadfastly advance sustainable development, actively fulfil corporate social responsibility, and promote harmonious coexistence between business, society, and the environment. We will continue our journey towards sustainability, contributing to a brighter future for society and the ecosystem.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The following table sets out the breakdown of the Group's revenue by product category for the six months ended 30 June 2026 (the "period under review") and 2025 (the "prior period under review" or "1H 2025"):

	For the six months ended 30 June 2026		For the six months ended 30 June 2025		Changes
	RMB'000	% of revenue	RMB'000	% of revenue	%
By Products					
Adults					
Footwear	2,722,514	44.2	2,574,949	45.1	+5.7
Apparel	1,812,388	29.4	1,601,482	28.1	+13.2
Kids					
Footwear	794,827	12.9	711,620	12.5	+11.7
Apparel	524,218	8.5	521,850	9.1	+0.5
Others^(Note)	305,834	5.0	294,929	5.2	+3.7
Total	6,159,781	100.0	5,704,830	100.0	+8.0

Note: Others comprised sales of accessories and shoe soles.

During the period under review, the Group's revenue increased by 8.0% to RMB6,159.8 million year on year (1H 2025: RMB5,704.8 million). This growth was driven by strong demand for both adult and kids' products, underscoring the effectiveness of the Group's marketing strategies in a highly competitive industry. In particular, the Group successfully integrated its online-offline sales channels, which contributed significantly to this growth.

The Group continued to scale up its innovative retail formats, including the 361° Super Premium Store (超品店) and accelerate its expansion into international markets. Driven by the rapid growth of China's on-demand retail sector, the Group actively expanded its presence in this new retail channel in the second half of 2025. The Group partnered with "Meituan Flash Delivery" (美团閃購), "Meituan Group Purchase" (美团團購), "Taobao Flash Sale" (淘寶閃購) and "JD Instant Delivery" (京東秒送) from August 2025 to February 2026. This omnichannel strategy greatly strengthened its multi-platform presence and allowed the Group to connect with a broader consumer base.

The 361° Kids business continued to grow steadily, thanks to rising parental focus on children's sports and health and government support for youth sports.

By enriching its running category, alongside its established rope-skipping, outdoor, and basketball lines, the Group successfully addressed the needs of different age groups. With advanced performance features and stylish designs, it expanded market reach and fostered deeper consumer loyalty. The Group also built a robust product portfolio that kept pace with shifting consumer preferences by investing in higher-quality materials, new product categories, and sports science. This approach successfully drove sales volume growth across major categories while maintaining competitive pricing.

The 361° Kids segment remained a key contributor to the Group's revenue. The brand strengthened its first-mover advantage and competitive position in children's sportswear market in the Chinese mainland by expanding its target audience to teenagers up to age 16. With a professional product portfolio that combines functionality and style, along with continued investment in R&D, this segment has become a growth driver of total revenue.

MANAGEMENT DISCUSSION AND ANALYSIS

During the period under review, the Group's e-commerce business recorded a revenue growth of 9.5% to RMB1,989.0 million year on year (1H 2025: RMB1,816.9 million), accounting for 32.3% of the Group's total revenue (1H 2025: 31.8%).

The Group leveraged various e-commerce platforms to promote its core products and enhance brand awareness. Recognising the maturing online consumption habits and the diversification of consumer behaviour, the Group views e-commerce as a steady revenue stream and a key marketing platform. Moving

forward, the Group will continue to refine its integrated online-offline business model, unleashing omnichannel synergistic effects.

Despite near-term macroeconomic headwinds, favourable long-term trends, including rising health awareness, growing consumption in emerging markets, and ongoing engagement with major sporting events, will continue to support growth in the global sportswear industry.

Gross profit and gross profit margin

The following table sets out the breakdown of the Group's gross profit and gross profit margin by product category for the six months ended 30 June 2026 and 2025:

	For the six months ended 30 June 2026		For the six months ended 30 June 2025		Changes in percentage point
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %	
Adults					
Footwear	1,184,803	43.5	1,114,137	43.3	+0.2
Apparel	748,590	41.3	661,111	41.3	+0.0
Kids					
Footwear	338,057	42.5	299,722	42.1	+0.4
Apparel	221,591	42.3	213,738	41.0	+1.3
Others^(Note)	79,848	26.1	77,742	26.4	-0.3
Total	2,572,889	41.8	2,366,450	41.5	+0.3

Note: Others comprised sales of accessories and shoe soles.

The Group recorded a gross profit of RMB2,572.9 million (1H 2025: RMB2,366.5 million), while the gross profit margin edged up by 0.3 percentage points year on year to 41.8%. During the period under review, the Group's ongoing focus on strengthening refined cost management and its strategy of securing stable raw material prices through volume purchasing were key to mitigating the impact of fluctuating oil prices and the consequent rise in petrochemical costs.

During the period under review, the gross profit margins of both adults' footwear and apparel products remained stable compared with those in the first half of 2025. These results were driven by strict cost control, smart pricing strategies, and the integration of newly acquired OEM factories. During the period under review, the Group further streamlined in-house production and enhanced external supply chain efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS

	Footwear		Apparel	
	For the six months ended 30 June 2026	For the six months ended 30 June 2025	For the six months ended 30 June 2026	For the six months ended 30 June 2025
In-house productions	39.4%	32.1%	23.0%	18.4%
Externally sourced products	60.6%	67.9%	77.0%	81.6%
	100.0%	100.0%	100.0%	100.0%

During the period under review, the Group adhered to a flexible and hybrid production model, manufacturing complex, flagship products in-house while collaborating with high-quality OEM partners for other lines. This outsourcing strategy demonstrates the Group's strong purchasing power with flexible payment options, expertise in selecting cost-effective OEM partners, and strict control over production efficiency.

The gross profit margin for kids' footwear and apparel products rose by 0.4 percentage points and 1.3 percentage points year on year to 42.5% (1H 2025: 42.1%) and 42.3% (1H 2025: 41.0%), respectively. The Group expects these segment margins to remain stable, supported by rigorous cost management and a continuous pipeline of profitable niche products.

The gross profit margin for accessories and shoe soles slightly decreased by 0.3 percentage points year on year to 26.1% (1H 2025: 26.4%). During the period under review, the slight moderation in gross profit margin was primarily attributable to a shift in sales mix, with a higher proportion of high-volume products sold. The Group remained focused on optimising overall profitability through operational leverage.

Other revenue

During the period under review, other revenue decreased by 11.6% year on year to RMB126.8 million from RMB143.5 million in the first half of 2025. The decrease was mainly attributable to the following factors:

1. A reduction of RMB12.3 million in government subsidies received from several local government authorities in recognition of the Group's contribution to local economies;
2. A decline of RMB9.6 million in commission income generated from the provision of services via e-commerce platforms for the Group's distributors;
3. An increase of RMB4.7 million in royalty income derived from licencing agreements upon sales made by licensees; and
4. An increase of RMB0.6 million in interest income from bank deposits held in Hong Kong and the PRC, resulting from the increase in the average interest rate.

Other net loss, net

The other net loss, net of RMB11.9 million (1H 2025: RMB3.0 million) mainly comprised a net foreign exchange loss of RMB12.3 million (1H 2025: RMB1.6 million). As the Group's functional currency is Renminbi ("RMB") and its principal operations are based in the PRC, the appreciation of the RMB resulted in exchange losses for certain subsidiaries that use other functional currencies. These fluctuations generally stem from timing differences in currency conversion, as well as the settlement schedules of advances and repayments between subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling and distribution expenses

During the period under review, selling and distribution expenses increased by 4.2% year on year to RMB1,079.9 million (1H 2025: RMB1,036.7 million). This increase was driven by logistics costs (packaging, warehousing, and transportation) which were in line with higher sales volume, and the slight increase in advertising and promotion expenses, and partially offset by a decline in sales staff costs reflecting improved operational efficiency.

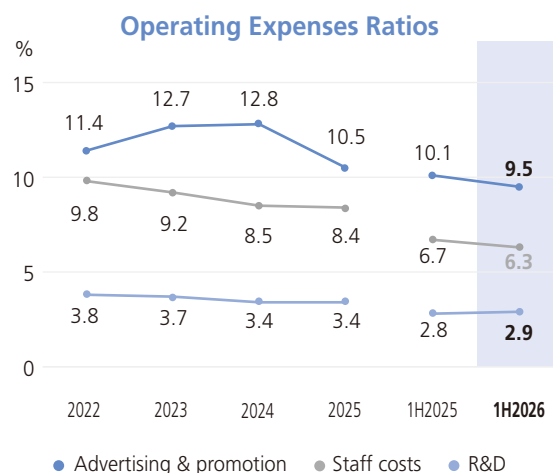
During the period under review, advertising and promotion expenses increased by 1.5% year on year to RMB585.3 million (1H 2025: RMB576.9 million) and accounted for approximately 9.5% (1H 2025: 10.1%) of the Group's total revenue, which remained within the Group's target budgeted range. The modest increase was attributable to the Group's effective management of advertising expenses through targeted investments. Key initiatives centred on sponsorships of world-class sporting events and collaborations with elite athletes, strengthening the Group's professional sports positioning and deepening consumer engagement. These long-term investments were guided by the annual budgeting process, which prioritises initiatives expected to enhance brand visibility and generate measurable returns in sales growth.

During the period under review, service fees paid to major e-commerce platforms such as Tmall, Taobao, JD.com and Meituan decreased by 1.3% year on year to RMB119.7 million (1H 2025: RMB121.3 million). The decrease in e-commerce related costs was primarily driven by the Group's proactive reduction in online advertising, consistent with its strategy of managing advertising expenses through targeted investment and effective outcomes.

Administrative expenses

During the period under review, administrative expenses increased by 21.7% year on year to RMB404.5 million (1H 2025: RMB332.4 million), accounting for approximately 6.6% (1H 2025: 5.8%) of the Group's total revenue. The increase was primarily attributable to the year-on-year rise of RMB20.7 million in R&D expenses and RMB43.9 million in charitable donations.

R&D expenses increased by 12.9% year on year to RMB180.9 million (1H 2025: RMB160.2 million), accounting for 2.9% (1H 2025: 2.8%) of the Group's total revenue. The Group remains committed to sustained and strategic investment in R&D, recognising it as essential for driving innovation, enhancing product competitiveness and securing long-term market leadership. This approach ensures effective cost management while maintaining the Group's competitive edge. Looking ahead, the Group aims to maintain the ratio of R&D expenses within a range of 3% to 4%.



MANAGEMENT DISCUSSION AND ANALYSIS

Provision for expected credit losses ("ECL") allowance on trade receivables

As consumer demand recovered at a modest pace while global economic uncertainties persisted in the first half of 2026, the Group adopted a conservative approach to credit risk management. Notably, no bad debts have been written off since the Group's listing. During the period under review, consistent with its prudent stance, the Group recorded a general provision for ECL of RMB2.6 million on trade receivables. As of 30 June 2026, the total provision for ECL allowance on trade receivables amounted to RMB343.2 million (31 December 2025: RMB341.4 million), representing 6.1% (31 December 2025: 6.8%) of the trade receivables before provision, maintaining a reasonable provisioning level.

Finance costs

During the period under review, finance costs decreased by 44.4% year on year to RMB3.0 million (1H 2025: RMB5.4 million), primarily comprising interest expense on bank borrowings of RMB2.7 million (1H 2025: RMB5.0 million) and interest on lease liabilities of RMB0.3 million (1H 2025: RMB0.4 million). During the period under review, the reduction in interest expense was primarily attributable to a decline in the weighted average interest rate.

As of 30 June 2026, the Group held total bank borrowings of RMB460.8 million for working capital purposes.

Income tax expense

During the period under review, income tax expense of the Group amounted to RMB262.1 million (1H 2025: RMB259.5 million) and the effective tax rate was 21.9% (1H 2025: 22.9%).

No provision for Hong Kong profits tax was recognised during both six months ended 30 June 2025 and 2026, as the Group's Hong Kong subsidiaries neither generated assessable profits nor had their estimated assessable profits fully offset by tax losses brought forward.

CAPITAL AND OTHER INFORMATION

Liquidity and capital resources

As of 30 June 2026, the Group's cash and cash equivalents amounted to RMB5,180.5 million (31 December 2025: RMB4,093.8 million). The increase was mainly attributable to the following:

1. Net cash inflow from operating activities amounted to RMB611.5 million, primarily attributable to profit before income tax of RMB1,197.8 million, decrease in inventories of RMB106.4 million and deposits, prepayments and other receivables of RMB326.6 million, partially offset by the increase in trade and bills receivables of RMB637.4 million and the payment of PRC income tax of RMB294.8 million.
2. Net cash outflow from investing activities amounted to RMB4.7 million, primarily attributable to the purchase of property, plant and equipment of RMB14.8 million, partially offset by the receipt of bank interest income of RMB6.3 million.
3. Net cash inflow from financing activities amounted to RMB471.8 million, primarily attributable to net proceeds from additional bank borrowings of RMB164.0 million and proceeds from the issue of the Company's new shares of RMB531.9 million, partially offset by dividend payments of RMB212.4 million.

The increase in trade receivables corresponds with the Group's revenue growth and reflects continued strategic support for distributors to facilitate regional expansion. The Group has historically extended favourable credit terms to support such market development initiatives.

MANAGEMENT DISCUSSION AND ANALYSIS

While periodic fluctuations and uncertainties persist in both domestic and global economic environment, the Group remains committed to actively monitoring receivables and will continue to optimise credit terms at an appropriate pace to enhance financial efficiency and capital turnover. During the period under review, the Group successfully maintained the average turnover days of trade and bills receivables at 149 days (for the year ended 31 December 2025: 149 days). The Group will continue to work on shortening credit periods for local distributors in relatively mature provinces with stable market share, in order to further enhance the Group's cash flow.

The decrease in deposits, prepayments and other receivables was primarily attributable to reduced prepayments to suppliers, reflecting enhanced working capital management and strengthened supplier partnerships. This cooperation enabled more favourable payment terms and reduced upfront commitments, supporting improved cash flow efficiency while ensuring the stable operation of the supply chain.

The following table sets out the capital resources of the Group as at 30 June 2026 and 31 December 2025:

RMB'000	As at 30 June 2026	As at 31 December 2025
Pledged bank deposits	9,105	9,214
Cash and cash equivalents	5,180,505	4,093,846
Total cash	5,189,610	4,103,060
Total borrowings (Bank borrowings)	460,806	299,001
Net cash (including bank deposits, and cash and cash equivalents)	4,728,804	3,804,059

Capital structure and gearing ratio

The following table sets out the capital structure of the Group as at 30 June 2026 and 31 December 2025:

RMB'000 (except the per share data)	As at 30 June 2026	As at 31 December 2025
Non-current assets	1,520,992	1,584,073
Current assets	14,097,194	12,827,269
Total assets	15,618,186	14,411,342
Non-current liabilities	27,759	24,847
Current liabilities	3,757,021	3,836,256
Total liabilities	3,784,780	3,861,103
Net assets	11,833,406	10,550,239
Net asset value per share	RMB5.5	RMB5.1

MANAGEMENT DISCUSSION AND ANALYSIS

Gearing ratio is defined as the total bank borrowings divided by the Group's total assets, and the gearing ratio of the Group as at 30 June 2026 and 31 December 2025 was calculated as below:

RMB'000	As at 30 June 2026	As at 31 December 2025
Total borrowings (Bank borrowings)	460,806	299,001
Total assets	15,618,186	14,411,342
Gearing ratio	3.0%	2.1%

During the period under review, the Group financed its daily operations primarily through internally generated cash flows and sustained an exceptionally strong balance sheet, characterised by one of the lowest gearing ratios in the industry. This prudent capital structure provides ample flexibility to support future growth while preserving financial strength and ensuring resources are effectively deployed to deliver sustainable value for shareholders.

During the first half of 2026, the Group achieved notable progress in working capital optimisation. Inventory balances decreased through enhanced demand forecasting and turnover efficiency, while deposits, prepayments and other receivables declined, reflecting improved supplier payment terms and reduced upfront commitments. Meanwhile, trade and bills receivables increased modestly, primarily in line with revenue growth and strategic support to distribution partners to strengthen channel stability, demonstrating the Group's balanced approach to fostering growth while maintaining disciplined cash conversion management. As a result, during the period under review, the net cash flow generated from the Company's operating activities reached RMB611.5 million, representing an increase of 16.7% year on year, fully demonstrating the Company's strong operational efficiency and robust internal cash flow generation capability. Looking ahead, the Company will continue to focus on improving cash management, further strengthening operating cash flow, and laying a solid foundation for sustained shareholder value creation.

Treasury policy and foreign exchange risk

The Group's operations are principally carried out in the PRC with most of the transactions are settled in RMB. The Group holds a portion of cash and bank deposits in Hong Kong dollars ("HK\$") and declares dividends in HK\$. To manage its foreign exchange risk, the Group matched the currency of the bank borrowings with its functional currency and the currency of major cash receipts and underlying assets whenever possible.

As of 30 June 2026, all borrowings were unsecured and fixed rate loans with effective interest rate per annum ranging from 1.8% to 1.9%.

As part of its policy, the Group continues to monitor its borrowing profiles, taking into consideration the funding needs and market conditions to minimise interest rate exposure. Any substantial fluctuation in the exchange rate of foreign currencies against RMB may have a monetary impact on the Group.

During the period under review, the Group did not conduct any hedging activity against foreign currency risk.

Pledge of assets

As of 30 June 2026, the Group pledged bank deposits to certain banks as performance guarantee deposits of RMB9.1 million (31 December 2025: RMB9.2 million) for certain business partners of the Group, which have been placed in designated bank accounts. In the event that the Group does not meet its contractual obligations under the agreements signed with these business partners, the deposits can be withdrawn without consent of the Group. Such performance guarantee deposit will be released upon the expiry of the agreements that were entered into with respective business partners.

MANAGEMENT DISCUSSION AND ANALYSIS

Working Capital Cycle

The following table sets out the working capital cycle of the Group for the six months ended 30 June 2026 and the year ended 31 December 2025:

	For the six months ended 30 June 2026	For the year ended 31 December 2025	Changes in days
Working Capital Turnover Days			
Inventories	102	117	-15
Trade and bills receivables	149	149	No change
Trade and bills payables	59	74	-15

During the period under review, the Group successfully maintained the average turnover days of trade and bills receivables at 149 days. The following table sets out the ageing profile of trade and bills receivables, based on the date of delivery of goods and net of allowance for ECL, as at 30 June 2026 and 31 December 2025:

	As at 30 June 2026		As at 31 December 2025		Changes in percentage point
	Trade and bills receivables RMB'000	% of Total %	Trade and bills receivables RMB'000	% of Total %	
Within 90 days	3,963,151	73.9	3,576,650	75.5	-1.6
91 to 180 days	802,241	14.9	639,486	13.5	+1.4
181 to 360 days	603,852	11.2	519,675	11.0	+0.2

During the period under review, the ageing profile of trade and bills receivables remained stable. As of 30 June 2026, trade and bills receivables within 90 days decreased by 1.6 percentage points to 73.9% (31 December 2025: 75.5%), and the total share of trade and bills receivables within 180 days remained at a high level at 88.8% (31 December 2025: 89.0%), while the over-180-day category increased slightly to approximately 11.2% (31 December 2025: 11.0%). While the Group continues to provide strategic support for key distribution partners in strengthening channel stability and driving market expansion, the Group will closely monitor trade and bills receivables from all distributors. While supported by the ongoing stabilisation of the domestic economy, the Group is confident that the average trade and bills receivable turnover cycle will be shortened steadily in the future.

During the period under review, the Group, demonstrating a prudent approach to financial management, recorded an additional provision for ECL on trade receivables of RMB2.6 million. This represents an increase of RMB1.9 million compared to the RMB0.7 million provided during the prior period under review. During the period under review and the prior period under review, no bad debts were written off, nor were any specific provisions for doubtful debts made.

The average inventory turnover cycle for the period under review declined to 102 days, representing a decrease of 15 days from 117 days for the year ended 31 December 2025. This improvement reflects enhanced inventory management and improved demand forecasting, which strengthened working capital efficiency and reduced obsolescence risk while maintaining optimal product availability. The Group will continue to enhance its supply chain coordination and inventory management capabilities, supporting sustained improvements in operational efficiency and working capital optimisation.

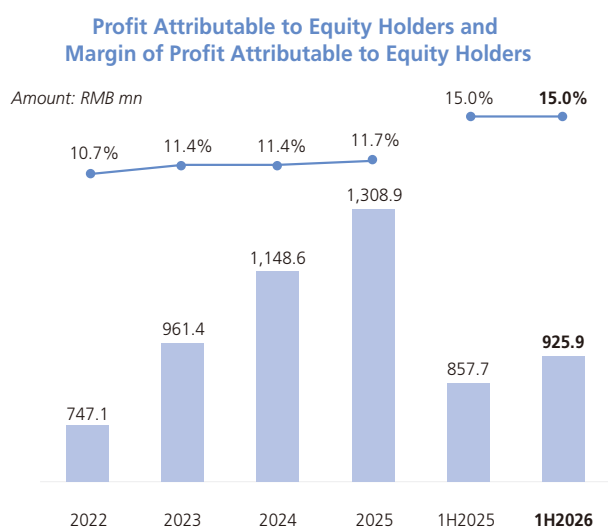
MANAGEMENT DISCUSSION AND ANALYSIS

During the period under review, through refined management and continuous deliveries, the Group's overall inventory level commendably decreased by RMB108.4 million to RMB1,957.4 million. The Group will remain fully committed to maintaining an optimally healthy inventory position, thereby steadfastly supporting its expanding e-commerce operations and consistently delivering the best possible service to its end customers.

During the period under review, the average trade and bills payable cycle decreased by 15 days to 59 days, compared to 74 days for the year ended 31 December 2025, reflecting a deliberate strategic shift to prioritise supply chain stability. By adopting more competitive payment terms, the Group ensured the consistent availability of critical raw materials, thereby safeguarding our market-leading product lines against global supply chain volatility. With the continued growth and consolidation of our business with suppliers, the Group is confident that the average trade and bills payable cycle will remain within the range of 100 to 110 days in the long term.

Profit attributable to equity holders

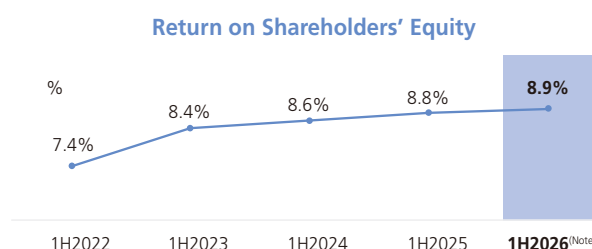
The following charts set out the profit attributable to equity holders and the margin of profit attributable to equity holders of the Company for each of the four years ended 31 December 2022, 2023, 2024, and 2025 and the six months ended 30 June 2025 and 2026:



During the period under review, profit attributable to equity holders increased by 8.0% year on year to RMB925.9 million (1H 2025: RMB857.7 million); and the margin of profit attributable to equity holders remained stable at 15.0% (1H 2025: 15.0%). This increase in absolute earnings, despite a stable profit margin, was driven primarily by strong revenue growth and disciplined operational management. The significant scale-up in revenue demonstrates the Group's operational resilience and efficiency, translating into long-term shareholders' value and delivering enhanced absolute returns for shareholders.

Half-year returns on shareholders' equity

The following chart sets out the returns on shareholders' equity ("ROE") of the Company for each of the five six-month periods ended 30 June 2022, 2023, 2024, 2025 and 2026:



Note: Excluded the effect of the net proceeds of HK\$610.8 million received from the subscription of new Shares in May 2026.

ROE remained stable at 8.9%, demonstrating the Group's continued ability to create value from its equity base. The higher return was achieved while the Group maintained one of the relatively lowest gearing ratios in the industry, reflecting a conservative and robust capital structure that minimises financial risk while preserving flexibility for future expansion. The sustained ROE supports an accretive earnings trajectory and a disciplined approach to shareholder returns, highlighting the Group's commitment to prudent capital allocation and sustainable value creation.

MANAGEMENT DISCUSSION AND ANALYSIS

Dividend and payout ratio

During the period under review, the Board is pleased to announce that it has resolved to declare an interim dividend of HK22.2 cents per share (1H 2025: HK20.4 cents per share).

During the period under review, the dividend payout ratio remained at 45.0%, reflecting a steady and shareholder-friendly distribution policy. The dividend signifies the Board's recognition of shareholders' ongoing support and is a testament to the Group's resilient operational and financial performance during the period under review. The Group remains dedicated to maintaining a balanced approach between reinvesting for future growth and providing consistent, attractive returns to its shareholders.

Contingent liabilities

As at 30 June 2026, the Group did not have any material contingent liabilities.

Material acquisitions and disposals

During the period under review, the Group did not make any material acquisitions or disposal of subsidiaries or associates.

Significant investments

During the period under review, the Group made no significant investments.

As at the date of this report, the Group maintains a disciplined approach to capital allocation, with no committed material investment plans. The Group will continue to proactively evaluate potential opportunities aligned with its strategic objectives, utilising internal resources for any future investments that meet its criteria.

Placing of Existing Shares and Subscription of New Shares

On 28 April 2026 (before trading hours), Ming Rong International Company Limited (the "Ming Rong International"), the Company and UBS AG Hong Kong Branch (the "Placing Agent") entered into a placing and subscription agreement pursuant to which (a) the Placing Agent agreed to place, on a best effort basis, up to 100,000,000 ordinary share(s) of HK\$0.1 in the share capital of the Company ("Placing Share") at the placing price of HK\$6.18 per Placing Share to not less than six places, who and whose ultimate beneficial owners were third parties independent of and not connected with the Ming Rong International and any party acting in concert with the Company and its connected persons (the "Placing"); and (b) the Company conditionally agreed to allot and issue to Ming Rong International such number of new Shares representing the number of Placing Shares actually placed under the Placing (being a maximum number of 100,000,000 new Shares) at the subscription price of HK\$6.18 per Share (the "Subscription").

The subscription price of HK\$6.18 per Share represents a discount of approximately 10.69% to the closing price of approximately HK\$6.920 per Share as quoted on the Stock Exchange on 27 April 2026 (the "Last Trading Day"), being the date of fixing the Placing price.

Completion of the Placing and the Subscription took place on 30 April 2026 and 7 May 2026, respectively. A total of 100,000,000 Shares were allotted and issued to Ming Rong International. The aggregate nominal value of the Shares subscribed is HK\$10,000,000.

MANAGEMENT DISCUSSION AND ANALYSIS

The net proceeds from the Subscription, after deducting the related placing commission, professional fees and all related expenses, were HK\$610.8 million. The net subscription price, after deduction of the relevant fees, costs and expenses, was approximately HK\$6.11 per Subscription Share. The Board considers that the Placing will provide a good opportunity for the Company to raise additional funds to strengthen its financial position and broaden its shareholder base and capital base. The Group intended to apply the net proceeds to:

- (i) further expand the network of overseas markets, including but not limited to, the leasing and renovation of retail stores, the establishment of e-commerce platforms, the acquisition of potential business targets, marketing and brand promotion activities and the establishment of overseas subsidiaries; and
- (ii) use for general working capital and other general corporate purposes.

The following table sets forth details of the use of the net proceeds from the Subscription up to 30 June 2026:

	Amount of net proceeds raised and allocated	Net proceeds utilised during the period under review	Net proceeds unutilised as at 30 June 2026	Expected timeline for utilisation of the net proceeds
Expansion of network of overseas markets	HK\$488 million	HK\$3 million	HK\$485 million	To be fully utilised as intended by the end of 2029
General working capital and other general corporate purposes	HK\$122 million	HK\$3 million	HK\$119 million	To be fully utilised as intended by the end of 2028

During the period under review, the proceeds raised by the Company from the Subscription were utilised, or were proposed to be utilised, in accordance with the intentions previously disclosed by the Company, and there was no material change or delay in the use of proceeds.

MANAGEMENT DISCUSSION AND ANALYSIS

As at the date of this report, in respect of paragraph (i) above, there are no potential targets available or any concrete plans for such potential merger and acquisition opportunities. The Company will closely monitor the use of the net proceeds from the Subscription and may, if it considers necessary or appropriate based on the prevailing market conditions and the actual operational and business needs of the Group from time to time, reallocate the intended use of the net proceeds. The Company will make further announcement(s) in respect of any material change to the proposed use of the net proceeds from the Subscription as and when appropriate.

Details of the Placing and the Subscription are set out in the Company's announcements dated 28 April 2026 and 7 May 2026 (the "Announcements"). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

Employees and emoluments

As at 30 June 2026, the Group employed a total of 8,484 full time employees in the PRC, which included management staff, technicians, salespersons and workers. During the period under review, the Group's total employee remuneration was RMB385.9 million (1H 2025: RMB379.5 million), representing 6.3% (1H 2025: 6.7%) of the Group's revenue. The emolument policies are based on the performance of employees and are formulated to attract talent and retain quality staff. Apart from the mandatory provident fund scheme, which is operating in accordance with the provisions of the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees and the state managed retirement pension scheme for the PRC-based employees and medical insurance, discretionary bonuses and employee share options are awarded to employees according to individual performance. The Group values staff quality and places strong emphasis on fringe benefits, providing training to enhance the employees' professional knowledge and skills.

OUTLOOK

Looking ahead to the second half of 2026, the global economy is expected to sustain its divergent trajectory. Persistent geopolitical rivalry, monetary policy adjustments by major economies, and inflation volatility will continue to drive external uncertainty, while the momentum for overseas demand recovery will remain generally subdued. Backed by the coordinated implementation of counter-cyclical and cross-cyclical policies, the domestic market is expected to sustain its recovery momentum. Steady organic growth will help offset external uncertainties, supporting stable and positive economic growth throughout the year.

Driven by the domestic policy initiatives to expand domestic demand and stimulate consumption, coupled with the widespread penetration of public health awareness, the sports industry remains positioned for well-defined, long-term growth. Consumer demand in the sports sector will continue to evolve, shifting toward greater professionalisation, specialisation, and an enhanced focus on experiential value. The event economy, outdoor sports, and mass fitness will emerge as the core growth engines of the industry. Sustained growth potential will unfold across sub-segments, bringing structural growth opportunities sharply into focus. Against this macroeconomic backdrop, the expansion and upgrading of the sports industry will continue, establishing itself as a pivotal engine of growth for the national economy. It will advance steadily toward the target of achieving a total output of RMB7 trillion by 2030, thereby solidifying the industrial foundation for the Group's long-term business development.

MANAGEMENT DISCUSSION AND ANALYSIS

Aligned with these overarching industry trends, the Group will continue to uphold its “consumer-centric” development philosophy, stay anchored to its positioning as a “professional, youthful, and internationalised” brand, and focus on technological innovation and brand building. In the second half of 2026, the core brand will seize the marketing opportunities presented by top-tier tournaments and leverage partnership resources from international events, such as the Asian Games Aichi-Nagoya, to enhance the brand’s global exposure and international influence. Concurrently, we will continue to expand our business scope and strive to build a high-value, full-scenario, multi-category professional sports product system, aiming to precisely meet the increasingly diverse and upgraded needs of broader consumer groups. 361° Kids business will deepen its positioning as a “Youth Sports Expert” (青少年運動專家). Aligning with the structural upgrade in youth sports consumption, we will continue to iterate and refine our exclusive product portfolio. We will strengthen resource synergy and technology sharing with the core brand, further cultivating the segments of youth professional sports and campus scenarios to consolidate our position as a pioneer in China’s children’s sportswear market.

Regarding channel building, the Group continues to advance the upgrading of its omnichannel strategy and establish an integrated operating system with in-depth integration of online-offline channels. On the offline front, the Group will further deepen the operation of the “1+6” omnichannel instant retail system, steadily roll out the Super Premium Store (超品店) format across the Chinese mainland, and replicate its mature store model in overseas markets to realise the global rollout of its domestically proven retail format. On the online front, the Group will continue to amplify the dual value of e-commerce platforms for retail order fulfilment and brand communication, enhancing full-domain user reach and conversion efficiency. For global channels, the Group adopts a two-way empowerment model combining cross-border e-commerce and offline physical outlets. It actively taps into high-potential emerging markets worldwide to expand its global market coverage and steadily advance the brand’s globalised operations.

Technology and sustainable development have always served as the cornerstone of the Group’s growth. We will further ramp up investment in R&D, deepen our focus on sports science and the iteration of new material technologies, strengthen technological advantages and product differentiation. The Group will also scale up the application of eco-friendly materials and green production management to fulfil its corporate social responsibilities. Centred on its core business and committed to continuous innovation, the Group will keep elevating the 361° global brand influence, deliver steady and high-quality business growth, and generate long-term sustainable value returns for all shareholders.



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	Six months ended 30 June	
		2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	3	6,159,781	5,704,830
Cost of sales		(3,586,892)	(3,338,380)
Gross profit		2,572,889	2,366,450
Other revenue	4	126,812	143,549
Other net loss, net	4	(11,932)	(2,958)
Selling and distribution expenses		(1,079,853)	(1,036,650)
Administrative expenses		(404,489)	(332,428)
Provision for of expected credit losses allowance on trade receivables	9	(2,552)	(712)
Profit from operations		1,200,875	1,137,251
Finance costs	5(a)	(3,047)	(5,397)
Profit before income tax	5	1,197,828	1,131,854
Income tax expense	6	(262,060)	(259,458)
Profit for the period		935,768	872,396
Attributable to:			
Equity holders of the Company		925,938	857,690
Non-controlling interests		9,830	14,706
Profit for the period		935,768	872,396
Earnings per share			
Basic and diluted (RMB cents)	7	44.41	41.48

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Profit for the period	935,768	872,396
Other comprehensive income for the period, net of income tax		
Item that will not be reclassified to profit or loss:		
Equity investments designated at fair value through other comprehensive income (non-recycling) – net movement in fair value reserve	(2,344)	3,005
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements	30,230	3,538
Total comprehensive income for the period, net of income tax	963,654	878,939
Attributable to:		
Equity holders of the Company	953,824	864,233
Non-controlling interests	9,830	14,706
Total comprehensive income for the period	963,654	878,939

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	8	973,718	1,036,599
Intangible assets		34,623	36,515
Right-of-use assets		111,639	103,739
		1,119,980	1,176,853
Other financial asset		15,860	18,618
Deposits and prepayments	9	189,612	184,501
Deferred tax assets		195,540	204,101
		1,520,992	1,584,073
Current assets			
Inventories	10	1,957,399	2,065,820
Trade debtors	9	5,253,560	4,692,626
Bills receivables	9	115,684	43,185
Deposits, prepayments and other receivables	9	1,580,941	1,922,578
Pledged bank deposits	11	9,105	9,214
Cash and cash equivalents	11	5,180,505	4,093,846
		14,097,194	12,827,269
Current liabilities			
Trade and other payables	12	2,685,524	2,891,505
Lease liabilities		12,005	5,651
Bank loans	13	460,806	299,001
Current taxation		598,686	640,099
		3,757,021	3,836,256
Net current assets		10,340,173	8,991,013

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Total assets less current liabilities		11,861,165	10,575,086
Non-current liability			
Lease liabilities		6,439	4,820
Deferred tax liabilities		21,320	20,027
		27,759	24,847
Net assets		11,833,406	10,550,239
Capital and reserves			
Share capital	14(a)	191,014	182,305
Reserves		11,160,423	9,895,795
Total equity attributable to equity holders of the Company		11,351,437	10,078,100
Non-controlling interests		481,969	472,139
Total equity		11,833,406	10,550,239

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to equity holders of the Company									Total equity RMB'000
	Share capital RMB'000	Share Premium RMB'000	Other reserves RMB'000	Statutory reserve RMB'000	Exchange reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	
Balance at 1 January 2025 (Audited)	182,305	341	122,877	1,212,809	(22,720)	10,343	7,869,287	9,375,242	453,886	9,829,128
Changes in equity for the six months ended 30 June 2025:										
Profit for the period (Unaudited)	–	–	–	–	–	–	857,690	857,690	14,706	872,396
Other comprehensive income (Unaudited)	–	–	–	–	3,538	3,005	–	6,543	–	6,543
Total comprehensive income (Unaudited)	–	–	–	–	3,538	3,005	857,690	864,233	14,706	878,939
Appropriation to statutory reserve	–	–	–	53,072	–	–	(53,072)	–	–	–
Dividends declared during the period	–	–	–	–	–	–	(190,714)	(190,714)	–	(190,714)
Balance at 30 June 2025 (Unaudited)	182,305	341	122,877	1,265,881	(19,182)	13,348	8,483,191	10,048,761	468,592	10,517,353
Balance at 1 January 2026 (Audited)	182,305	341	82,615	1,316,850	(3,760)	10,077	8,489,672	10,078,100	472,139	10,550,239
Changes in equity for the six months ended 30 June 2026:										
Profit for the period (Unaudited)	–	–	–	–	–	–	925,938	925,938	9,830	935,768
Other comprehensive income (Unaudited)	–	–	–	–	30,230	(2,344)	–	27,886	–	27,886
Total comprehensive income (Unaudited)	–	–	–	–	30,230	(2,344)	925,938	953,824	9,830	963,654
Issue of new shares (Note 14(a))	8,709	523,227	–	–	–	–	–	531,936	–	531,936
Appropriation to statutory reserve	–	–	–	58,084	–	–	(58,084)	–	–	–
Dividends declared during the period	–	–	–	–	–	–	(212,423)	(212,423)	–	(212,423)
Balance at 30 June 2026 (Unaudited)	191,014	523,568	82,615	1,374,934	26,470	7,733	9,145,103	11,351,437	481,969	11,833,406

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Operating activities			
Cash generated from operations		906,348	751,754
The People's Republic of China income tax paid		(294,810)	(227,990)
Net cash generated from operating activities		611,538	523,764
Investing activities			
Payment for the purchase of property, plant and equipment		(14,843)	(42,232)
Proceeds from disposal of property, plant and equipment		4,379	1,002
Decrease in pledged bank deposits		109	–
Increase in amount due from non-controlling interests		(582)	(297)
Interest received		6,253	5,609
Net cash used in investing activities		(4,684)	(35,918)
Financing activities			
Principal element of lease rentals paid		(8,630)	(2,813)
Interest element of lease rentals paid		(329)	(374)
Proceeds from bank loans		213,000	67,000
Repayment of bank loans		(49,000)	(17,250)
Proceeds from issue of new shares by the Company	14(a)	531,937	–
Dividends paid to shareholders	14(b)	(212,423)	(190,714)
Interest paid		(2,718)	(5,023)
Net cash generated from/(used in) financing activities		471,837	(149,174)
Net increase in cash and cash equivalents		1,078,691	338,672
Cash and cash equivalents at 1 January		4,093,846	4,254,236
Effect of foreign exchange rate changes		7,968	9,894
Cash and cash equivalents at 30 June		5,180,505	4,602,802

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

These condensed consolidated financial statements for the six months ended 30 June 2026 (“interim financial statements”) has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This interim financial statements was approved and authorised for issue by the Company’s board of directors on 18 August 2026.

The preparation of the interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the annual financial statements for the year ended 31 December 2025.

The interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2025.

The financial information relating to the financial year ended 31 December 2025 that is included in the interim financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2025 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 24 March 2026.

The interim financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair values. As the Group mainly operates in the People’s Republic of China (the “PRC”), Renminbi (“RMB”) is used as the presentation currency of the interim financial statements. All values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies and method of computation adopted in preparing these interim financial statements were consistent with those adopted for the Group’s consolidated financial statements for the year ended 31 December 2025 other than changes in accounting policies resulting from adoption of the new or amendments to HKFRS Accounting Standards effective for the accounting periods beginning on or after 1 January 2026.

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group. None of the developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in these interim financial statements. The Group has not adopted any new or amendments to HKFRS Accounting Standards that is not yet effective for the current accounting period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are manufacturing and trading of sporting goods, including footwear, apparel, accessories and others in the PRC. Revenue represents the sales value of goods sold less returns, discounts and value added taxes and other sales taxes.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products		
– Footwear	3,517,341	3,286,569
– Apparel	2,336,606	2,123,332
– Accessories	231,059	208,924
– Others	74,775	86,005
	6,159,781	5,704,830

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 3(b)(i).

During the six months ended 30 June 2026, the Group's customer base is diversified and had no customer (six months ended 30 June 2025: Nil) with whom transactions have exceeded 10% of the Group's revenue.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

3. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reportings

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments.

- Adults: this segment derives revenue from manufacturing and trading of adults sporting goods.
- Kids: this segment derives revenue from trading of kids sporting goods.

The Group's revenue and results were primarily derived from sales in the PRC and the principal assets employed by the Group were located in the PRC during the period. Accordingly, no analysis by geographical segments has been provided for the period. In addition, no information on segment assets and liabilities was prepared for review by the Group's most senior executive management for the period for the purpose of resource allocation and performance assessment.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and expenses incurred by those segments. The measure used for reporting segment profit is gross profit.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance is set out below.

	Adults Six months ended 30 June		Kids Six months ended 30 June		Total Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Disaggregated by timing of revenue recognition						
Point in time	4,812,908	4,444,765	1,346,873	1,260,065	6,159,781	5,704,830
Revenue from external customers	4,812,908	4,444,765	1,346,873	1,260,065	6,159,781	5,704,830
Inter-segment revenue	19,408	15,071	–	–	19,408	15,071
Reportable segment revenue	4,832,316	4,459,836	1,346,873	1,260,065	6,179,189	5,719,901
Cost of sales	(2,825,329)	(2,613,932)	(778,642)	(737,710)	(3,603,971)	(3,351,642)
Reportable segment profit (gross profit)	2,006,987	1,845,904	568,231	522,355	2,575,218	2,368,259

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

3. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(ii) Reconciliations of reportable segment revenues and profit or loss

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue		
Reportable segment revenue	6,179,189	5,719,901
Elimination of inter-segment revenue	(19,408)	(15,071)
Consolidated revenue (Note 3(a))	6,159,781	5,704,830
Profit before income tax		
Reportable segment profit	2,575,218	2,368,259
Elimination of inter-segment profit	(2,329)	(1,809)
Reportable segment profit derived from the Group's external customers	2,572,889	2,366,450
Other revenue	126,812	143,549
Other net loss, net	(11,932)	(2,958)
Selling and distribution expenses	(1,079,853)	(1,036,650)
Administrative expenses	(404,489)	(332,428)
Provision for expected credit losses allowance on trade receivables	(2,552)	(712)
Finance costs	(3,047)	(5,397)
Profit before income tax	1,197,828	1,131,854

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

4. OTHER REVENUE AND OTHER NET LOSS, NET

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Other revenue		
Interest income on financial assets measured at amortised cost	6,253	5,609
Government grants [#]	87,757	100,055
Commission income [*]	4,818	14,368
Royalty income [@]	22,344	17,602
Others	5,640	5,915
	126,812	143,549
Other net loss, net		
Net foreign exchange loss	(12,336)	(1,605)
Loss on disposals of property, plant and equipment	(825)	(1,353)
Gain on lease modification	1,229	—
	(11,932)	(2,958)

Note:

- [#] Government grants were received from several local government authorities for the Group's contribution to local economies, of which the entitlement was unconditional and under the discretion of the relevant authorities.
- ^{*} Commission income represented the service income by providing e-commerce platforms for the Group's distributors, which is calculated at certain percentage of the online sales amount.
- [@] Royalty income from licencing agreements is recognised when the related sales are made by the licensee, in accordance with the contractual terms.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

5. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
(a) Finance costs:		
Interest on lease liabilities	329	374
Interest on bank loans	2,718	5,023
Total interest expense on financial liabilities not carried at fair value through profit or loss	3,047	5,397
(b) Other items:		
Depreciation of property, plant and equipment	69,126	49,456
Amortization of intangible assets	2,981	–
Depreciation of right-of-use assets	9,202	4,872
Staff costs (including directors' emoluments)	385,893	379,485
– Contributions to defined contribution retirement plans	19,557	16,835
– Salaries, wages and other benefits	366,336	362,650
Expenses relating to short-term leases	8,681	6,421
Expense relating to variable lease payments not included in the lease liabilities, including in selling and distribution expenses	859	–
Advertising and promotion expenses	585,297	576,890
E-commerce platform service expenses	119,680	121,267
Packaging fee and storage fee, included in selling and distribution expenses	155,710	135,887
Logistics fee, included in selling and distribution expenses	70,364	61,171
Research and development costs (<i>Note a</i>)	180,920	160,154
Cost of inventories (<i>Note b</i>)	3,316,892	3,026,019

Notes:

- (a) Research and development costs include the material cost of approximately RMB74,532,000 (six months ended 30 June 2025: RMB78,004,000) and the staff cost and depreciation, which the amounts are also included in the respective amounts above, respectively. Research and development costs included in administrative expenses in the condensed consolidated statement of profit or loss.
- (b) Cost of inventories includes approximately RMB1,197,000 (six months ended 30 June 2025: RMB1,194,000) relating to inventories provisions (six months ended 30 June 2025: reversal of inventory provision) and the staff costs and depreciation, which the amounts are also included in the respective amounts above, respectively.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

6. INCOME TAX EXPENSE IN THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Current tax – PRC		
Provision:	253,397	250,337
– PRC income tax (Note (iv))	253,397	250,337
– Withholding tax (Note (v))	–	–
Deferred tax	8,663	9,121
– Withholding tax	–	–
– Origination and reversal of temporary differences	8,663	9,121
	262,060	259,458

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands (six months ended 30 June 2025: Nil).
- (ii) No provision for Hong Kong profits tax has been made as the Group has tax losses brought forward which are available for off-set against the estimated assessable profits for the period (six months ended 30 June 2025: Same).
- (iii) No provision has been made for Profits Tax in Brazil, United States of America and the Netherlands as the Group did not have any assessable profit subject to Profits Tax in Hong Kong, Brazil, United States of America and the Netherlands during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).
- (iv) All PRC subsidiaries are subject to income tax at 25% (six months ended 30 June 2025: 25%) for the six months ended 30 June 2026 under the Enterprise Income Tax law ("EIT law"), except for one of the subsidiaries of the Company operating in the PRC which were approved to be a high and new technology enterprise ("HNTE"). Enterprise approved to be HNTE are entitled to enjoy a reduced enterprise income tax rate of 15% and additional 75% tax reduction based on the eligible research and development expenses with a validity period of three years from 29 November 2021 to 29 November 2025. The validity period had been further extended of three years from 29 November 2025 to 29 November 2027.
- (v) Pursuant to the EIT law, 10% withholding tax is levied on the foreign investor, (foreign investors which are registered in Hong Kong and meet certain requirements specified in the relevant tax regulations in the PRC may be entitled to a preferential 5% rate), in respect of dividend distributions arising from profit earned by a foreign investment enterprise in the PRC after 1 January 2008.
- (vi) As at 30 June 2026, the deferred tax liabilities for withholding taxes have not been provided on unremitted earnings (six months ended 30 June 2025: RMB Nil).
- (vii) The Group has not recognised deferred tax assets in respect of cumulative tax losses as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses will expire within 5 years when such losses were incurred under current tax legislation.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

7. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of approximately RMB925,938,000 (six months ended 30 June 2025: RMB857,690,000) and the weighted average of 2,084,942,274 (six months ended 30 June 2025: 2,067,682,000) ordinary shares in issue during the six months ended 30 June 2026.

(b) Diluted earnings per share

For the six months ended 30 June 2026, diluted earnings per share is the same as basic earnings per share as the Company did not have dilutive potential shares outstanding (six months ended 30 June 2025: Same).

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired and disposed items of property, plant and equipment of approximately RMB12,832,000 (six months ended 30 June 2025: approximately RMB38,935,000) and RMB8,379,000 (six months ended 30 June 2025: RMB10,118,000) respectively.

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Trade receivables	5,596,790	5,034,031
Less: Allowance for expected credit loss	(343,230)	(341,405)
Trade receivables, net of loss allowance	5,253,560	4,692,626
Bills receivables	115,684	43,185
Trade and bills receivables (Note d)	5,369,244	4,735,811
Deposits, prepayments and other receivables		
<i>Current</i>		
Deposits	1,414	2,389
Prepayments (Note a)	1,380,230	1,745,745
Amount due from non-controlling interest	16,153	15,571
Other receivables (Note b)	183,144	158,873
	1,580,941	1,922,578
<i>Non-current</i>		
Deposits and prepayments (Note c)	189,612	184,501

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

Notes:

- (a) Current portion of prepayments mainly represent advanced payments to suppliers, advertisers, shelf allowances and store decoration of approximately RMB1,246,480,000, RMB60,901,000, RMB14,662,000 and RMB40,191,000 respectively (2025: RMB1,586,948,000, RMB72,526,000, RMB20,320,000 and RMB36,744,000).
- (b) Other receivables mainly include the other receivables relating to government grants of RMB56,500,000.00 (31 December 2025: RMB6,000,000), and other tax recoverable of approximately RMB968,000 (31 December 2025: RMB1,419,000).
- (c) Non-current portion of deposits and prepayments mainly represent the initial deposits paid to local government authorities for acquisition of land use rights for development of approximately RMB32,234,000 (31 December 2025: RMB32,234,000) and prepayment for property, plant and equipment of approximately RMB157,378,000 (31 December 2025: RMB152,267,000).
- (d) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade and bills receivables, based on the date of delivery of goods and net of allowance for expected credit loss is as follows:

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Within 90 days	3,963,151	3,576,650
Over 90 days but within 180 days	802,241	639,486
Over 180 days but within 360 days	603,852	519,675
	5,369,244	4,735,811

Trade and bills receivables are due within 60 to 180 days (31 December 2025: 60 to 180 days) from the date of billing.

All of the trade and bills receivables and current portion of deposits, prepayments and other receivables are expected to be recovered or recognised as expenses within one year.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

10. INVENTORIES

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Raw materials	184,087	181,385
Work in progress	43,548	66,351
Finished goods	1,729,764	1,818,084
	1,957,399	2,065,820

11. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Pledged bank deposits	9,105	9,214
Cash and cash equivalents	5,180,505	4,093,846
	5,189,610	4,103,060

At 30 June 2026, pledged bank deposits comprised performance guarantee deposits of approximately RMB9,105,000 (31 December 2025: RMB9,214,000) for certain business partners of the Group, which have been placed in designated bank accounts. In the event that the Group does not meet its contractual obligations under the agreements signed with these business partners, the deposits can be withdrawn without consent of the Group. Such performance guarantee deposit will be released upon the expiry of the agreements that was entered into with respective business partners.

At 30 June 2026, balances that were placed with banks or on hand in the PRC amounted to approximately RMB4,593,245,000 (31 December 2025: RMB4,028,172,000). Remittance of funds out of the PRC is subject to the exchange restriction imposed by the PRC government.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

12. TRADE AND OTHER PAYABLES

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Trade payables	1,038,469	1,305,509
Contract liabilities	215,489	245,017
Other payables and accruals (<i>Note</i>)	1,431,566	1,340,979
	2,685,524	2,891,505

Note:

Other payables and accruals mainly included (a) the accrued advertising expenses of approximately RMB386,535,000 (31 December 2025: RMB405,778,000); (b) the accrued employee compensation of approximately RMB49,691,000 (31 December 2025: RMB116,040,000); (c) the other payables relating to shelf allowance and trade fairs of approximately RMB116,364,000 (31 December 2025: RMB106,917,000); (d) the other payables relating to store decoration of approximately RMB94,252,000 (31 December 2025: RMB93,863,000); and (e) other tax payables of approximately RMB532,586,000 (31 December 2025: RMB344,216,000).

As of the end of the reporting period, the ageing analysis of trade payables based on the date of delivery of goods, is as follows:

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Within 1 month	235,887	179,772
After 1 month but within 3 months	202,609	306,534
After 3 months but within 6 months	194,615	488,940
After 6 months but within 12 months	182,922	136,945
More than 12 months	222,436	193,318
	1,038,469	1,305,509

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

13. BANK LOANS

As at 30 June 2026, bank loans were classified as current liabilities which were repayable within one year or on demand as follows:

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Unsecured bank loans (<i>Note (a) and (b)</i>)	460,806	299,001
Less: Amounts shown under non-current liabilities	–	–
Amounts shown under current liabilities	460,806	299,001

Notes:

- (a) All the unsecured bank loans were fixed rate loans (31 December 2025: same).

As at 30 June 2026, the unsecured bank loans of approximately RMB250,001,000, with an effective interest rate of 1.9%, were repayable in September 2026 (31 December 2025: same); and approximately RMB210,805,000 (31 December 2025: nil), with an effective interest rate of 1.8%, were repayable in June 2027 based on contractual payment dates.

- (b) As at 31 December 2025, two unsecured bank loans with aggregate principal amount of RMB49,000,000 were guaranteed by certain subsidiaries of the Company. The effective interest rates of the loans were fixed at 2% and the loans were repayable in March 2026, which were settled on the scheduled payment date.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

14. CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

	At 30 June 2026		At 31 December 2025	
	No. of shares '000	Amounts HK\$'000	No. of shares '000	Amounts HK\$'000
Authorised:				
Ordinary shares of HK\$0.1 each	10,000,000	10,000,000	10,000,000	1,000,000
		No. of shares '000	Amount HK\$'000	RMB'000
Ordinary shares, issued and fully paid:				
At 1 July 2025, 31 December 2025 and 1 January 2026		2,067,682	2,067,682	182,305
Issue of shares on placement (<i>Note</i>)		100,000	100,000	8,709
At 30 June 2026		2,167,682	2,167,682	191,014

Note:

On 28 April 2026, a placement of 100,000,000 new shares of the Company at a price HK\$6.18 per share was completed. The net proceeds amounted to approximately HK610,810,000 (equivalent of approximately RMB531,936,000). The Company intends to apply the net proceeds for the expansion of network of overseas markets and general working capital and other general corporate purpose.

(b) Dividends

(i) Dividends payable to equity holders attributable to the interim period

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Interim dividend declared after the interim period of HK22.2 cents per ordinary share (2025: HK20.4 cents)	416,672	385,961

The interim dividend declared have not been recognised as a liability at the end of the reporting period.

(ii) Dividend payable to equity holders of the Company attributable to previous financial year, approved and paid during the interim period

The final dividend of HK11.3 cents per ordinary share ("Proposed Final Dividend"), totaling approximately RMB212,423,000 for the year ended 31 December 2025 were approved by the shareholders at the annual general meeting on 15 May 2026.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

15. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed in elsewhere in the condensed consolidated financial statements, the Group enter into the following related party transactions:

Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the directors of the Company, is as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Short-term employee benefits	11,461	10,576
Post-employment benefits	117	117
	11,578	10,693

Total remuneration is included in "staff costs" (see Note 5(b)).

16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets measured at fair value

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

Level 3 valuations: Fair value measured using significant unobservable inputs

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets measured at fair value (continued)

(i) Fair value hierarchy (continued)

	Fair value RMB'000	Fair value measurements categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurement:				
At 30 June 2026 (Unaudited)				
Financial asset:				
Unlisted equity securities	15,860	–	–	15,860
At 31 December 2025 (Audited)				
Financial asset:				
Unlisted equity securities	18,618	–	–	18,618

During the six months ended 30 June 2026, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 June 2025: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(ii) Information about Level 3 fair value measurements

The fair value of unlisted equity securities is determined by adjusted net assets value approach based on assumptions that are not supported by observable market prices or rate. The valuation requires the directors of the Company to make estimates about the fair value of all the assets and liabilities of the investee, including the marketability of underlying investment. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 30 June 2026, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 5% (31 December 2025: 5%) would have increased/decreased the Group's other comprehensive income by approximately RMB356,000 (31 December 2025: approximately RMB667,000).

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Balance at 1 January	18,618	18,931
Net unrealised (loss)/gain recognised in other comprehensive income during the period	(2,758)	3,535
Balance at 30 June	15,860	22,466

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

17. COMMITMENTS

- (a) Contractual commitments outstanding at 30 June 2026 not provided for in the interim financial statements were as follows:

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Advertising and marketing expenses	210,001	125,894

- (b) Capital commitments outstanding at 30 June 2026 not provided for in the interim financial statements were as follows:

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Authorised but not contracted for		
Property, plant and equipment	17,051	22,829

- (c) At 30 June 2026, the lease commitments for short-term leases not included in the lease liabilities as follows:

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Within 1 year	605	739

Lease commitments shown above only represent lease commitments of the Group for short-term leases.

CORPORATE GOVERNANCE AND ADDITIONAL INFORMATION

The Company has made continuous effort to ensure high standards of corporate governance. The principles of corporate governance adopted by the Company emphasise a quality board, sound internal controls and accountability to shareholders. These are based upon our established ethical corporate culture.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

In the opinion of the directors of the Company, the Company had complied with the code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Listing Rules during the six months ended 30 June 2026.

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 any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register required to be kept 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”) set out in Appendix C3 to the Listing Rules, were as follows:

LONG AND SHORT POSITION IN THE COMPANY

Name of Director	Long/short position	Nature of interest	Note	Number of ordinary shares	Percentage
Mr. Ding Wuhao	Long	Beneficial owner		11,962,000	0.55%
		Founder of a discretionary trust	(1)	340,066,332	15.69%
Mr. Ding Huihuang	Long	Beneficial owner		9,189,000	0.42%
		Founder of a discretionary trust	(2)	327,624,454	15.11%
Mr. Ding Huirong	Long	Founder of a discretionary trust	(3)	324,066,454	14.95%
Mr. Wang Jiabi	Long	Founder of a discretionary trust	(4)	168,784,611	7.79%

Notes:

- (1) These 340,066,332 shares of the Company are held by Dings International Company Limited, which is wholly owned by DWH Capital Limited. DWH Capital Limited is in turn wholly owned by TMF (Cayman) Ltd. in its capacity as trustee of The DWH Trust. Mr. Ding Wuhao is the settlor and a beneficiary of The DWH Trust. Each of DWH Capital Limited, TMF (Cayman) Ltd. and Mr. Ding Wuhao is deemed to be interested in 340,066,332 shares of the Company held by Dings International Company Limited. He is the brother-in-law of both Mr. Ding Huihuang and Mr. Ding Huirong.
- (2) These 327,624,454 shares of the Company are held by Ming Rong International Company Limited, which is wholly owned by DHH Capital Limited. DHH Capital Limited is in turn wholly owned by TMF (Cayman) Ltd. in its capacity as trustee of The DHH Trust. Mr. Ding Huihuang is the settlor and a beneficiary of The DHH Trust. Each of DHH Capital Limited, TMF (Cayman) Ltd. and Mr. Ding Huihuang is deemed to be interested in 327,624,454 shares of the Company held by Ming Rong International Company Limited. He is the elder brother of Mr. Ding Huirong and the brother-in-law of Mr. Ding Wuhao.

CORPORATE GOVERNANCE AND ADDITIONAL INFORMATION

- (3) These 324,066,454 shares of the Company are held by Hui Rong International Company Limited, which is wholly owned by DHR Capital Holding Limited. DHR Capital Holding Limited is in turn wholly owned by TMF (Cayman) Ltd. in its capacity as trustee of The DHR Trust. Mr. Ding Huirong is the settlor and a beneficiary of The DHR Trust. Each of DHR Capital Holding Limited, TMF (Cayman) Ltd. and Mr. Ding Huirong is deemed to be interested in 324,066,454 shares of the Company held by Hui Rong International Company Limited. He is the younger brother of Mr. Ding Huihuang and the brother-in-law of Mr. Ding Wuhaio.
- (4) These 168,784,611 shares of the Company are held by Jia Wei International Co., Ltd., which is wholly owned by WJB Capital Limited. WJB Capital Limited is in turn wholly owned by TMF (Cayman) Ltd. in its capacity as trustee of The WJB Trust. Mr. Wang Jiabi is the settlor and a beneficiary of The WJB Trust. Each of WJB Capital Limited, TMF (Cayman) Ltd. and Mr. Wang Jiabi is deemed to be interested in 168,784,611 shares of the Company held by Jia Wei International Co., Ltd..

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executive of the Company had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

Share Option Scheme

In view of the amendments of the Listing Rules in relation to share option scheme with effect from 1 January 2023, on 28 April 2023, the Company adopted a new share option scheme ("the Share Option Scheme") and terminated its previous share option scheme adopted on 18 May 2021 ("the Previous Share Option Scheme"). The purpose of the Share Option Scheme are (i) to enable the Company to grant options to the eligible participants under the Share Option Scheme as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract and retain personnel to promote the sustainable development of the Group; and (iii) to align the interest of the grantees with those of the shareholders to promote the long-term financial and business performance of the Company. The eligible participants of the Share Option Scheme include the following:

- (a) any employee (whether full-time or part-time, including any executive Director, but excluding any non-executive Director) of the Company or any of its subsidiaries (and including persons who are granted options or awards under the Share Option Scheme as an inducement to enter into employment contracts with these companies);
- (b) any non-executive Directors (including independent non-executive Directors) of the Company or any of its subsidiaries; and

CORPORATE GOVERNANCE AND ADDITIONAL INFORMATION

- (c) any person (whether a natural person, a corporate entity or otherwise) who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, and excludes (for the avoidance of doubt) (i) placing agents or financial advisers providing advisory services for fund-raising, mergers or acquisitions, (ii) professional service providers (such as auditors or valuers) who provide assurance, or are required to perform their services with impartiality and objectivity (“Service Provider”), who falls under the following category or categories or who may meet with the eligibility criteria below:
- (i) Supplier and manufacturer. Service Providers under this category are mainly raw material suppliers and contract manufacturers, which the Group engages for its outsourcing of a portion of manufacturing of its footwear products, majority of apparel products, and all of its accessories products;
 - (ii) Distributor. Service Providers under this category are mainly distributors of the Group’s products. The Group adopted the distributorship model for its products in the PRC. The Group relies primarily on a number of third-party distributors for sales of the Group’s products. Each of the distributors has exclusive distribution right over a certain geographical area in the PRC;
 - (iii) Contractor, agent, consultant and adviser. Service Providers under this category are mainly independent contractors, agents, consultants and advisers who provide design, research, development or other support or any advisory, consultancy, professional or other services (but for the avoidance of doubt exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity) to the Group on areas relating to the Group’s main businesses of manufacturing and trading of sporting goods, including footwear, apparel, accessories and others in the PRC and/or other principal business activity(ies) that may be carried out by the Group from time to time, or on areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group and/or applying their specialised skills and/or knowledge in the abovementioned fields; or
 - (iv) Business or joint venture partner. Service Providers under this category are mainly business or joint venture partners who provide services to the Group on areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group.

CORPORATE GOVERNANCE AND ADDITIONAL INFORMATION

The maximum number of shares which may be issued upon the exercise of all the options and awards to be granted under the Share Option Scheme and any other share schemes of the Company shall not in aggregate exceed 10% of the total number of shares in issue as at the date of approval of the adoption of the Share Option Scheme initially i.e. 206,768,200 shares. Pursuant to the Share Option Scheme, where any grant of options would result in the shares issued and to be issued upon exercise of the options or awards granted and to be granted to that person (excluding any options and Awards lapsed in accordance with the terms of the Share Option Scheme or the other share schemes of the Company) under the Share Option Scheme and any other share schemes of the Company in any 12-month period up to and including the date of such further grant exceeds 1% of the Company's issued share capital, such grant must be separately approved by shareholders in general meeting with such grantee and his close associates (or his associates if the grantee is a connected person of the Company) abstaining from voting.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the board of Directors to the grantee, which period may commence from the date of offer but shall end in any event not later than 10 years from the date of offer of that option subject to the provisions for early termination thereof. The vesting period for options under the Share Option Scheme shall not be less than 12 months from the date of acceptance of the offer except under specific circumstances as stipulated under the Share Option Scheme. Eligible participants of the Share Option Scheme are required to pay the Company HK\$1.0 upon acceptance of the offer within 21 days from the date of offer. The exercise price of the options is determined by the board of Directors in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of a share;
- (b) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer; and
- (c) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer.

The Share Option Scheme shall be valid and effective for a period of 10 years from 28 April 2023. Please refer to the circular of the Company dated 4 April 2023 for further details of the terms of the Share Option Scheme.

The Previous Share Option Scheme was terminated on 28 April 2023 and there were no outstanding share options under the Previous Share Option Scheme as at 30 June 2023.

The number of options available for grant under the scheme mandate of the Share Option Scheme was 206,768,200 as at 1 January 2026 and 30 June 2026. The number of options available for grant under the service provider sublimit of the Share Option Scheme was 103,384,100 as at 1 January 2026 and 30 June 2026.

The Company does not have any other share option or share award scheme other than the Share Option Scheme adopted on 28 April 2023. No share option has been granted by the Company under the Share Option Scheme since its adoption. During the six months ended 30 June 2026, no share option was granted, exercised, cancelled or lapsed pursuant to the Share Option Scheme.

CORPORATE GOVERNANCE AND ADDITIONAL INFORMATION

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

As at 30 June 2026, the interests or short positions of the persons (other than a Director or chief executive of the Company) in the Shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of shareholders	Note	Nature of interest	Long/Short position in ordinary shares held ⁽¹⁾		Percentage of total issued shares
Dings International Company Limited	(2)	Beneficial owner	L	340,066,332	15.69%
Ming Rong International Company Limited	(3)	Beneficial owner	L	327,624,454	15.11%
Hui Rong International Company Limited	(4)	Beneficial owner	L	324,066,454	14.95%
Jia Wei International Co., Ltd.	(5)	Beneficial owner	L	168,784,611	7.79%
Jia Chen International Holding Limited	(6)	Beneficial owner	L	168,784,611	7.79%
Wang Jiachen	(6)	Founder of a discretionary trust	L	168,784,611	7.79%
TMF (Cayman) Ltd.	(7)	Trustee	L	1,356,332,000	62.57%
DWH Capital Limited	(2)	Interest in controlled corporation	L	340,066,332	15.69%
DHH Capital Limited	(3)	Interest in controlled corporation	L	327,624,454	15.11%
DHR Capital Holding Limited	(4)	Interest in controlled corporation	L	324,066,454	14.95%
WJB Capital Limited	(5)	Interest in controlled corporation	L	168,784,611	7.79%
WJC Capital Limited	(6)	Interest in controlled corporation	L	168,784,611	7.79%

CORPORATE GOVERNANCE AND ADDITIONAL INFORMATION

Notes:

1. The letter “L” indicates long position whereas the letter “S” indicates short position.
2. The entire issued share capital of Dings International Company Limited is owned by DWH Capital Limited. DWH Capital Limited is in turn wholly owned by TMF (Cayman) Ltd. in its capacity as trustee of The DWH Trust. Mr. Ding Wuhao is the sole director of Dings International Company Limited.
3. The entire issued share capital of Ming Rong International Company Limited is owned by DHH Capital Limited. DHH Capital Limited is in turn wholly owned by TMF (Cayman) Ltd. in its capacity as trustee of The DHH Trust. Mr. Ding Huihuang is the sole director of Ming Rong International Company Limited.
4. The entire issued share capital of Hui Rong International Company Limited is owned by DHR Capital Holding Limited. DHR Capital Holding Limited is in turn wholly owned by TMF (Cayman) Ltd. in its capacity as trustee of The DHR Trust. Mr. Ding Huirong is the sole director of Hui Rong International Company Limited.
5. The entire issued share capital of Jia Wei International Co., Ltd. is owned by WJB Capital Limited. WJB Capital Limited is in turn wholly owned by TMF (Cayman) Ltd. in its capacity as trustee of The WJB Trust. Mr. Wang Jiabi is the sole director of Jia Wei International Co., Ltd..
6. These 168,784,611 shares of the Company are held by Jia Chen International Holding Limited (formerly known as Jia Chen International Co., Ltd.), which is wholly owned by WJC Capital Limited. WJC Capital Limited is in turn wholly owned by TMF (Cayman) Ltd. in its capacity as trustee of The WJC Trust. Mr. Wang Jiachen is the settlor and a beneficiary of The WJC Trust. Each of WJC Capital Limited, TMF (Cayman) Ltd. and Mr. Wang Jiachen is deemed to be interested in 168,784,611 shares of the Company held by Jia Chen International Holding Limited. Mr. Wang Jiachen is the brother of Mr. Wang Jiabi, an executive director.
7. TMF (Cayman) Ltd. in its capacity as trustee of The DWH Trust, The DHH Trust, The DHR Trust, The WJB Trust, The DJT Trust and The WJC Trust holds the entire issued share capital of DWH Capital Limited, DHH Capital Limited, DHR Capital Holding Limited, WJB Capital Limited, DJT Capital Limited, and WJC Capital Limited, which ultimately holds an aggregate of 1,356,332,000 shares of the Company.

Save as disclosed above, as at 30 June 2026, no person (other than a Director or chief executive of the Company) had registered an interest or short position in the Shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2026. The Company did not hold any treasury shares during the six months ended 30 June 2026.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors' securities transactions. Having made specific enquiry of all directors, the Company has confirmed with all directors of the Company that they had complied with the required standard set out in the Model Code throughout the six months ended 30 June 2026.

CORPORATE GOVERNANCE AND ADDITIONAL INFORMATION

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The Company has established an audit committee which is accountable to the Board and the primary duties of which include the review and supervision of the Group's financial reporting process and internal control measures.

The audit committee of the Company ("Audit Committee") has reviewed with management the accounting principles and practises adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited interim financial statements of the Group for the six months ended 30 June 2026. They considered that the unaudited interim financial statements of the Group for the six months ended 30 June 2026 are in compliance with the relevant accounting standards, rules and regulations and that appropriate disclosures have been made.

EVENTS AFTER THE REPORTING PERIOD

Ms. Ferheen Mahomed has resigned as an independent non-executive Director and ceased to be a member of the nomination committee of the Company with effect from 8 July 2026.

Ms. Jenny Chen was appointed as an independent non-executive Director and a member of the Audit Committee with effect from 8 July 2026.

SHAREHOLDER INFORMATION

FINANCIAL CALENDAR

Announcement of interim results	18 August 2026
Ex-entitlement date for interim dividend	28 August 2026
Closure of register of members	1 September to 3 September 2026
Record date	3 September 2026
Payment date of interim dividend	on or about 15 September 2026

DIVIDENDS

The Board resolved to declare an interim dividend of HK22.2 cents (equivalent to RMB19.2 cents for illustration purpose only) for the six months ended 30 June 2026.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the interim dividend, the register of members of the Company will be closed from Tuesday, 1 September 2026 to Thursday, 3 September 2026, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar 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 not later than 4:30 p.m. on 31 August 2026.

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited
3rd Floor, Royal Bank House
24 Shedden Road, George Town
P.O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
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183 Queen's Road East
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INVESTOR RELATIONS CONTACT

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COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ding Wuhao (丁伍號)
Ding Huihuang (丁輝煌) (*Chairman*)
Ding Huirong (丁輝榮)
Wang Jiabi (王加碧)

Independent Non-executive Directors

Wu Ming Wai Louie (胡明偉)
Hon Ping Cho Terence (韓炳祖)
Chen Chuang (陳闌)
Jenny Chen (陳怡芳)

BOARD COMMITTEES

Audit Committee

Wu Ming Wai Louie (胡明偉) (*Chairman*)
Hon Ping Cho Terence (韓炳祖)
Chen Chuang (陳闌)
Jenny Chen (陳怡芳)

Remuneration Committee

Chen Chuang (陳闌) (*Chairman*)
Wang Jiabi (王加碧)
Hon Ping Cho Terence (韓炳祖)
Jenny Chen (陳怡芳)

Nomination Committee

Hon Ping Cho Terence (韓炳祖)
(*Chairman*)
Ding Wuhao (丁伍號)
Wu Ming Wai Louie (胡明偉)
Jenny Chen (陳怡芳)

COMPANY SECRETARY

Kong Siu Keung (鄭兆強) FCCA, HKICPA

AUTHORISED REPRESENTATIVES

Ding Wuhao (丁伍號)
Kong Siu Keung (鄭兆強) FCCA, HKICPA

HEAD OFFICE IN THE PRC

361° Building
Huli High-technology Park
Xiamen, Fujian Province 361009
the PRC

FACTORIES IN THE PRC

No. 165 Qianjin Road
Jiangtou Village Chendai Town
Jinjiang City
Fujian Province
the PRC

Wuli Industrial Park
She Ma Lu
Jinjiang City
Fujian Province 362261
the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1609
Office Tower Convention Plaza
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Wanchai
Hong Kong SAR of the PRC

REGISTERED OFFICE

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PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

AUDITOR

Moore CPA Limited
Registered Public Interest Entity Auditor

LEGAL ADVISERS

As to Cayman Islands law:

Conyers Dill & Pearman

As to Hong Kong law:

Chiu & Partners

PRINCIPAL BANKERS

Industrial Bank Co., Ltd.
Hang Seng Bank Limited
China Construction Bank Corporation
Agricultural Bank of China Limited
China Merchants Bank Co., Ltd.

COMPANY WEBSITE

www.361sport.com.cn

STOCK CODE

01361