We are a global online fashion and lifestyle company serving approximately 273 million active customers in approximately 160 markets in 2025. We have reimagined the pursuit of fashion by offering a large, inclusive selection of constantly refreshed products that satisfy consumers' diverse needs, with great value for money. We help people embrace trendy lifestyles and express their individuality.

We have pioneered a proprietary operating model, Large-scale Automated Test and Reorder (LATR), which is the ultimate solution for resolving the industry's longstanding trilemma. This model enables us to achieve an optimal balance among product selection variety, design refreshment speed and inventory management efficiency. We have a global network of partners. As we make our supply chain more agile, strong and resilient, we empower our partners to thrive and grow together with us.

Our commitment to sustainable and responsible growth is woven into the fabric of our business model. By calibrating supply to demand in real time, we minimise our inventory waste to drive not only industry sustainability, but also our own profitability. We believe in doing well by doing good.

Our achievements so far include:

Leadership **Largest** Online Fashion Destination Globally[1]	Reach **273 million** Active Customers[2] in 2025 (21.2% 2023-2025 CAGR)	Selection **2 million+** Apparel styles[3] as of 31 December 2025
Scale **US$41.8 billion** Net Revenues in 2025	Growth **14.2%** 2023-2025 Net Revenues CAGR	Profitability **US$2,064 million** Net Income in 2025

Notes:

1. In terms of apparel and footwear retail sales value in 2025.

2. The term "active customers" for a given period refers to customer accounts that placed one or more orders on our apps or websites in that period, including orders of products of our own brands and products on our marketplace.

3. Refers to apparel products sold through our first-party model, where each apparel style refers to a distinct product variation, characterised by specific attributes such as design or colour. For example, t-shirts of the same design offered in three different colours would constitute three separate styles. Our first-party model refers to a selling model where we sell products to consumers, while our marketplace refers to a selling model where we facilitate sales of products by third-party sellers to customers through our online marketplace.

HOW WE GOT HERE

The pursuit of fashion is universal. We set out to make fashion more accessible and affordable. To make this possible, we started with an online direct-to-consumer business model. Over the years, we have built a proprietary infrastructure to drive the growth of our fashion brands. This infrastructure was purpose-built to enable LATR, which is underpinned by an end-to-end intelligent supply chain and an agile global fulfilment network. We believe these innovations are integral to broadening access to fashion.

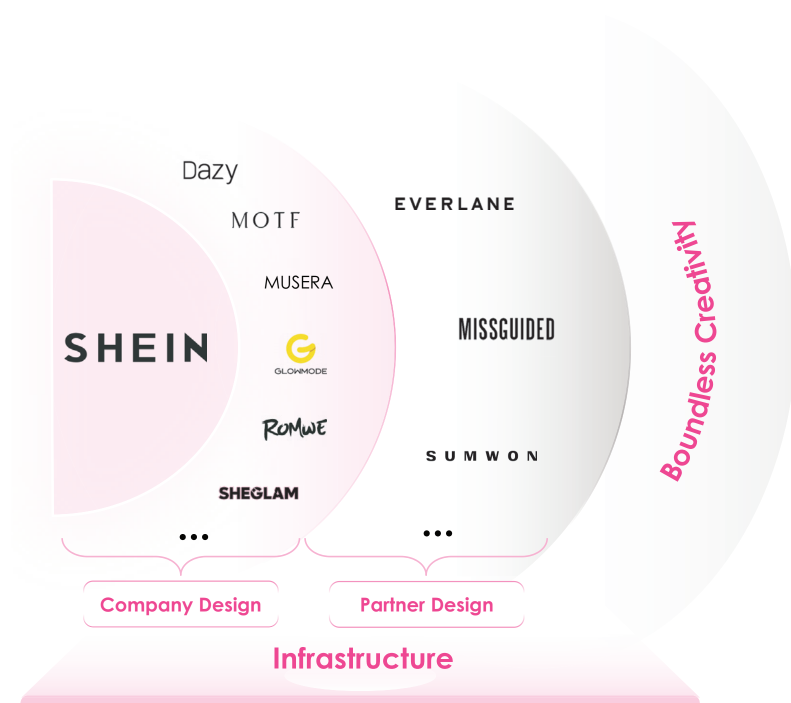
LATR enables us to quickly iterate and deliver products that delight our customers. It entails testing new products by launching them in small initial batches of approximately 100 to 200 items, evaluating customer feedback in real time, and restocking products that are in demand in as few as five days. The test and reorder strategy is not novel, but it is highly challenging to implement it at scale with cost efficiency. Leveraging our end-to-end intelligent supply chain that maximises efficiency and capacity utilisation, we deploy test and reorder at unprecedented scale to a large number of products. LATR structurally minimises production costs and keeps our inventory levels low while reducing wastage, allowing us to pass on savings to our customers. This is how we offer customers a vast and constantly refreshed fashion selection with great value for money. LATR also thrives with our global fulfilment network. With our strategic inventory placement and smart freight routing, we optimise inventory turnover, fulfilment speed and efficiency.

WHERE WE ARE GOING

We put our customers front and centre.

We started our journey under our flagship brand, SHEIN, and have expanded to a portfolio of our own brands to cover more price points, distinctive styles and broadened categories. As we aspire to enrich our fashion selection, we have developed close partnerships with many brands and designers through the SHEIN Xcelerator Programme and empower their profitable growth with our infrastructure. Some brands carry strong brand appeal and customer mindshare, yet operationally face challenges and supply chain bottlenecks. Others are smaller, early-stage players with ambitious brand visions, but lack the expertise and resources to scale up effectively. Enabled by our proprietary infrastructure, we allow more brands and designers to unleash their full potential and transform boundless creativity into reality with speed and certainty.

We believe we are uniquely positioned to empower the next generation of fashion brands, which is instrumental to our mission to make fashion accessible to all.



HOW WE ARE DIFFERENT

Better for Customers

We help people around the world access fashion, embrace trendy lifestyle and celebrate their individuality.

Our wide selection of offerings helps everyone in our diverse customer base feel seen, included and valued.

Wide selection of constantly refreshed, affordable offerings. Our vast product selection consisted of over 2 million apparel styles as of 31 March 2026, and our customers were able to discover an average of approximately 4,700 new apparel styles each day during the three months ended 31 March 2026 through our first-party model. In addition to apparel, we have added new product categories to our offerings, which now include footwear, accessories, beauty, home, and lifestyle products. By connecting long-tail demand with supply, we address our customers' diverse and evolving needs.

Experiences that customers enjoy. We have developed bonds with our customers. Within the fashion industry, we are an early adopter of leveraging online communities and influencers to engage customers. We complement our online engagement with offline activities such as marketing events, fashion shows, pop-ups and showrooms to strengthen our connection with customers. Our inclusive product selection makes it possible for people to enjoy the beauty of fashion.

Strong customer satisfaction and engagement. We have established an engaged, vibrant and global online community. Our customers have generally been staying with us for longer and shopping across more categories. Our active customers increased from approximately 186 million in 2023 to approximately 273 million in 2025 at a CAGR of 21.2%, and increased from approximately 241 million in the twelve months ended 31 March 2025 to approximately 281 million in the twelve months ended 31 March 2026. Annual customer order frequency remained broadly stable at 3.8, 4.0, 4.0, 4.0 and 3.9 for the years ended 31 December 2023, 2024 and 2025 and the twelve months ended 31 March 2025 and 2026, respectively. These metrics are a testament to our strong customer loyalty and engagement. We believe we are only in the early innings of unlocking our potential.

Better for Supply Chain Partners

We bring together a diverse group of supply chain partners globally. These include over 7,500 contract manufacturers in 2025 as well as large numbers of merchants, independent designers and other suppliers. Most of our partners are SMEs. See "Supply Chain Management" in this section for further information on our supply chain network, system and management.

Deep technology integration enables win-win. We empower our suppliers with our proprietary technology solutions to solve traditional industry pain points in capacity utilisation and workflow management. Our intelligent supply chain management system automatically allocates orders to suitable suppliers, based on expertise, price and capacity, amongst other factors. Deep technology integration with suppliers fosters transparency, production efficiency, visibility and flexibility, and enables repeat orders, cost savings and reduced inventory and waste. Benefitting from the significant order volume afforded by our scale and customer reach, our suppliers typically enjoy more predictable order flow, improved asset utilisation and higher returns on investment, even with small batch production.

Empowering supply chain partners through our proprietary infrastructure. We allow supply chain partners of all types to focus on the tasks that they excel at, and add value by bridging the gaps along the value chain. We turn designs into real products for independent designers, streamline operations and improve working capital management for suppliers, and provide marketing and logistics support for merchants. In 2021, we launched the SHEIN X programme, which aimed to empower individual designers and artists. Over the years, we have continued to explore ways to evolve and expand this programme. In October 2025, we officially upgraded and expanded the SHEIN X programme to the SHEIN Xcelerator Programme, which aims to supercharge the growth of more brands. Through this initiative, we provide brands with a suite of differentiated supply chain services and an established global sales platform so that they can achieve lower design risk, reduced inventory risk, and faster time to market. The SHEIN Xcelerator Programme supports brands of different sizes, incubating new brands and revitalising existing ones through flexible collaboration models. The brands within the Xcelerator Programme are able to reach meaningful annualised sales milestones much faster than other leading global Direct-to-Consumer brands, with a significantly healthier financial profile. For example, one of the brands in the Xcelerator Programme increased sales by approximately 15 times in its second year with the programme, while improving operating margin by over 30 percentage points during the same period. This brand also saw its inventory turnover days decrease by approximately two-thirds. The provision of brand enablement services is also driving better profitability for us, with brand enablement operating margin approximately twice as high as our group operating margin. As we empower more partners of all sizes to thrive, our partner base becomes increasingly efficient, flexible and resilient, which in turn enriches the selection for our customers and fuels our growth. Given the recency and relatively limited scale of this initiative during the Track Record Period, the SHEIN Xcelerator Programme contributed not more than 1% of our total net revenues in 2025 and for the three months ended 31 March 2026.

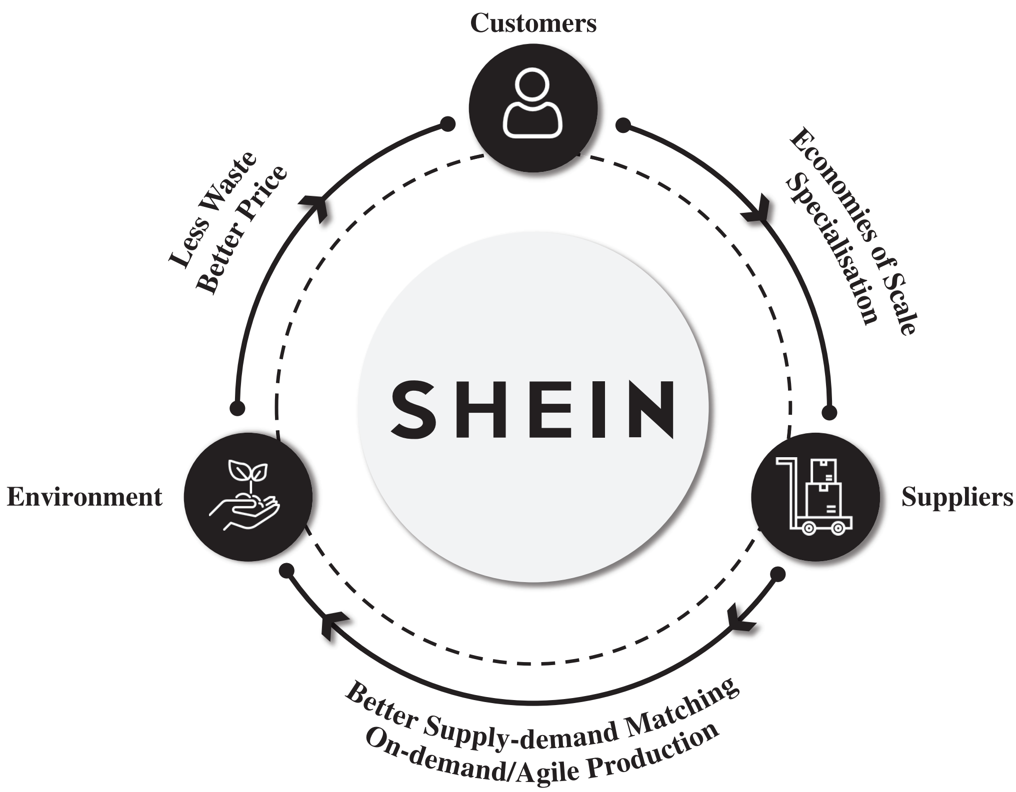
Better for the Environment

We are committed to minimising our impact on the planet we all share. The evoluSHEIN roadmap is our enterprise-wide sustainability strategy to drive our environmental and social impact initiatives focusing on people, planet and process. We believe that we can grow our business while promoting sustainable and responsible growth. We have made some progress in our sustainability journey, and will continue to refine our practices and address the challenges faced by our industry.

Innovative operating model minimises waste. We have pioneered LATR, a technology-enabled, demand-driven operating model that features small-batch production. Underpinned by an end-to-end intelligent supply chain and an agile global fulfilment network, this model allows us to minimise overproduction, reduce inventory waste and deliver quality products to consumers around the world. This in turn helps us reduce our environmental impact and pass on savings to consumers.

Initiatives across the value chain. We actively seek ways to create positive environmental impact across the value chain, from pre-consumption to post-consumption, covering responsible design, material sourcing, manufacturing, circularity programmes and decarbonisation goals.

Equitable empowerment. We respect and embrace individuality across cultures, identities and body types through our inclusive product offerings. We promote inclusive growth by creating business opportunities for SMEs, as well as minority and women entrepreneurs. We strive to improve the lives of our employees, supply chain partners and communities.



OUR MARKET OPPORTUNITIES

We started our business by serving fashion-conscious consumers, particularly young women, offering them a wide selection of fashion items. What people wear goes beyond fulfilling their basic needs — it is a reflection of their cultures and identities. The growth in the global economy and consumption expenditure has propelled the global fashion market, encompassing apparel, footwear and accessories, into a massive market worth US$1.7 trillion in 2025, which is expected to further increase to US$2.0 trillion in 2030. This market is highly competitive, and we primarily compete with both global fashion retailers and, to a lesser extent, e-commerce platforms with fashion offerings.

The fashion industry is shifting from offline to online, driven by digital innovation and a shift in consumer preferences towards online shopping that was accelerated by the COVID-19 pandemic. Empowered by technology and agile supply chains, digital-first fashion players are offering curated shopping experiences that drive engagement and loyalty. The online fashion market grew from US$522 billion in 2021 to US$606 billion in 2025, and is expected to further increase to US$792 billion in 2030. This growth is driven by an increase in online penetration rate, which rose from 33.4% in 2021 to 34.9% in 2025 and is expected to further increase to 38.7% in 2030. Leveraging our leadership in the global fashion market, we have successfully expanded into other categories such as home & living, beauty & personal care and appliances & electronics products, amongst others.

For a detailed discussion about our market opportunities, see "Industry Overview" elsewhere in this document.

OUR COMPETITIVE STRENGTHS

We believe that the following strengths differentiate us from our peers and contribute to our competitive advantage:

Global scale and success. Our innovative and customer-centric business model has proven to be successful and replicable on a global scale. Serving approximately 273 million active customers across approximately 160 markets in 2025, we have become a global fashion icon for discovering the latest fashion with great value-for-money. We are the largest online fashion destination and one of the top five apparel and footwear companies globally in terms of 2025 retail sales value. Our net revenues have also grown rapidly, with a CAGR of 14.2% from 2023 to 2025, to reach US$41.8 billion in 2025.

Value propositions that drive strong customer satisfaction and engagement. Our customers love shopping with us, come back often, and bring their friends. We have built a large and loyal customer base around the world. In 2025, we had approximately 273 million active customers.

Our proprietary LATR operating model. Underpinned by our end-to-end intelligent supply chain and agile global fulfilment network, LATR enables us to achieve an optimal balance among product selection variety, design refreshment speed and inventory management and hence solve the industry's longstanding trilemma. Our end-to-end intelligent supply chain delivers full-chain visibility, predictive intelligence and dynamic supply chain orchestration, while the agile global fulfilment network offers global reach, strategic inventory placement, an optimised freight mix and flexible assortment dispatch. We leverage this infrastructure to deliver the latest in-demand products with speed and cost efficiency while minimising inventory risks and waste.

Thriving network of supply chain partners. We have developed a large collaboration network that empowers our supply chain partners to focus on what they excel at. Technology integration with our supply chain partners maximises their productivity and cost savings when they partner with us. Our scale and customer reach create more repeat orders even with small batch production, generating higher asset utilisation and returns on investment for our partners. As we continually optimise our global supply chain to be closer to our customers, we build resilience in our business and empower more partners to thrive and grow.

Founder-led team and enduring culture driving innovation and growth. Our business success is supported by our strong culture and values, which are centred on customers, people and sustainable growth. Our founders and management team bring extensive experience in fashion, retail, digital marketing and software engineering. They pioneered our innovative business model.

OUR GROWTH STRATEGIES

We are pursuing the following strategies to capture tremendous growth opportunities:

Attract new customers and increase customer engagement. We will focus on growing our customer base in both existing and new markets globally. We believe in the significant potential to further increase penetration in our existing markets and tap into new markets, and will continue to dynamically assess and identify suitable markets for doing so. Our value propositions will help us to further increase customer engagement. We will continue to refine our customer insights and engagement approach to drive wallet share expansion.

Further expand category and product offerings. We will continue to identify and expand into new product categories with significant potential in different markets, and further enrich our product portfolio in existing categories with new items. We have already expanded beyond fashion into lifestyle and other categories, and will continue to identify opportunities in other categories. In addition, we will attract more third-party merchants and brands to enrich the assortment and availability of merchandise on our marketplace.

Continue our commitment to advancing sustainability and social impact. We strive to create value for all of our stakeholders. We will continue to support organisations and entrepreneurs tackling critical ESG issues, and invest in emerging technologies that help protect the environment. We also aim to further collaborate with governments and other stakeholders to drive change that will benefit businesses and society in the long run.

Create more opportunities for designers and brands. We plan to further empower designers and brands, who are important partners in our ecosystem, by making our proprietary infrastructure available to them. We will enable these creative minds to commercialise their talents at scale by providing them with supply chain management, manufacturing, fulfilment and marketing services, as well as opportunities to make their products available to customers around the world. Enabled by our infrastructure, designers and brands can focus on design and their other core competencies, unleashing their full potential as they deliver their talents and value propositions to consumers globally.

Further strengthen our supply chain and fulfilment infrastructure. With the support of our adaptive global fulfilment network, we intend to further strengthen our supplier base to better serve our customers. In addition, we will continue to equip our supply chain partners with our industry know-how and technology solutions to further enhance their operational efficiency.

Continue to invest in talent and technology. We believe that talent and technology are two fundamental pillars of our success. We will continue to invest in our people, technology and infrastructure to drive innovation, improve operational efficiency and optimise the shopping experience of our customers.

KEY OPERATING AND FINANCIAL METRICS

The table below sets out certain key financial metrics for the periods indicated.

	For the Years Ended 31 December						For the Three Months Ended 31 March			
	2023		2024		2025		2025		2026	
							(unaudited)			
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(in millions, except for percentages)									
Total net revenues	**32,103**	**100.0**	**38,748**	**100.0**	**41,847**	**100.0**	**8,952**	**100.0**	**9,052**	**100.0**
Net revenues by type:										
Product revenues	31,235	97.3	35,351	91.2	37,107	88.7	7,765	86.7	7,757	85.7
Service revenues	868	2.7	3,397	8.8	4,740	11.3	1,187	13.3	1,295	14.3
Net revenues by region:										
United States	9,454	29.4	10,464	27.0	10,101	24.1	2,380	26.6	2,040	22.5
Europe	10,214	31.8	13,603	35.1	14,802	35.4	2,843	31.7	2,908	32.1
Rest of the world	12,435	38.8	14,681	37.9	16,944	40.5	3,729	41.7	4,104	45.4
Net revenues by category:										
Apparel	22,080	68.8	25,068	64.7	26,707	63.8	5,548	62.0	5,562	61.4
Others	10,023	31.2	13,680	35.3	15,140	36.2	3,404	38.0	3,490	38.6
Net income/(loss)	**2,789**		**3,365**		**2,064**		**395**		**(99)**	

Our service revenues increased during the Track Record Period following the launch of our marketplace business in the second half of 2022, and our service revenues as a percentage of total net revenues increased during the Track Record Period as our marketplace business grew. In terms of net revenues by region, the percentage of net revenues generated from the United States generally decreased during the Track Record Period, while the revenue contribution from Europe generally increased, primarily as a result of the continued expansion of our business in Europe. In terms of product category, the revenue contribution from products other than apparel increased during the Track Record Period, as we continued to diversify our product offerings to enhance our competitiveness and appeal to a broad customer base.

The tables below set out certain key operating metrics for the periods indicated.

	For the Years Ended 31 December			For the Twelve Months Ended 31 March	
	2023	2024	2025	2025	2026
Active customers (millions)	186	230	273	241	281
Customer order frequency	3.8	4.0	4.0	4.0	3.9
Total orders (millions)	715	919	1,078	970	1,090
Fulfilment expenses per order (US$)	18.9	18.3	17.7	17.7	17.9

For the years ended 31 December 2023, 2024 and 2025, we saw an increase in each of the number of active customers and total orders as our business continued to grow. Meanwhile, fulfilment expense per order decreased during this period due to a combination of factors, including enhancements in warehouse automation and process standardisation, delivery route optimisation, and improvements in operational efficiency. For the twelve months ended 31 March 2025 and 2026, we recorded an increase in the number of active customers and total orders as our business continued to grow. Meanwhile, fulfilment expense per order increased slightly during this period primarily due to the impact of evolving tariff and customs duty policies since 2025. See "Summary — Recent Developments and No Material Adverse Change — Tariff Update".

OUR INNOVATIONS

We believe that our success is attributable to our innovative business model and technologies, which differentiate us from our peers. We were one of the earliest adopters of an online direct-to-consumer business model, which we have deployed at unprecedented scale. Under this model, we use our own apps and websites to offer a large selection of constantly refreshed company-branded products manufactured by our contract manufacturers. These products are then delivered directly to consumers across the world. To make this possible, we have pioneered LATR, a unique operating model that is underpinned by an end-to-end intelligent supply chain and an agile global fulfilment network. This model fully integrates and empowers our supply chain partners using proprietary technologies and tailored value-add. It also enables us to quickly iterate and deliver products that delight our customers and enables our supply chain partners to thrive.

Our transforming LATR

We have leveraged our end-to-end intelligent supply chain and agile global fulfilment network to pioneer LATR, a highly scalable operating model that features on-demand, small-batch production. Highly nimble and responsive to market demand, LATR enables us to resolve the industry's longstanding trilemma, achieving large selection, rapid design refreshment and efficient inventory management at the same time, which has historically not been possible for traditional retailers.

LATR entails testing new products by launching them in small initial batches of approximately 100 to 200 items, and then evaluating customer feedback in real time. If a product sells well, we order more of it. This process of testing and re-ordering is highly automated, and we apply the model at scale to a vast number of different new products.

LATR enables us to economically and rapidly address shifting consumer preferences at scale. By using a small initial production batch, we can quickly launch a large number of new products with minimal upfront commitment, inventory risk, and resource waste. If a product sells well, we can rapidly scale up its production to meet consumer demand. We can rapidly launch small initial batches, and restock products that are in demand in as few as five days.

The test and reorder strategy is highly challenging to implement at scale with cost efficiency. By successfully doing so, we have differentiated ourselves from our peers. With more than 2 million apparel styles as of 31 December 2025 and 31 March 2026, our product selection is among the largest in the industry. This selection is also refreshed faster, as we uniquely are able to restock products in as few as five days. Additionally, LATR enables us to operate highly efficiently. Our unsold inventory percentage is in the low single digits, and our inventory turnover days were just 36 days in 2025.

Our LATR operating model is built on two foundational infrastructure pillars: our end-to-end intelligent supply chain that maximises efficiency and capacity utilisation, and our agile global fulfilment network that optimises inventory turnover and fulfilment speed.

Our end-to-end intelligent supply chain

Our end-to-end intelligent supply chain is one of the pillars of our LATR operating model. This is unique because it digitalises and integrates every step of the full supply chain, and intelligentises trend identification and merchandise planning, design and development, order allocation and production optimisation, demand insights and user interactions, smart routing and fulfilment, and customer feedback. This is differentiated from traditional fashion retailers and e-commerce platforms, which only focus on a few elements of the supply chain. Traditional fashion retailers typically focus only on merchandise planning and design, while e-commerce platforms typically focus only on sales and fulfilment.

Our supply chain is intentionally built for continual and intelligent optimisation. This begins with end-to-end integration, which allows for full visibility across the supply chain, supporting actionable, data-driven decisions together with automatic order allocation and process monitoring. Building on this foundation, our predictive intelligence generates granular, personalised demand signals and enables real-time forecasting and reordering. This allows us to dynamically orchestrate the entire supply chain and facilitate intelligent resource allocation and optimised capacity and inventory management. We strive to achieve a full-stack AI uplift that supercharges operational efficiency across every layer of the supply chain.

As a result, our end-to-end intelligent supply chain is differentiated by being able to pool, coordinate, and integrate supply chain partners across the entirety of the value chain to maximise transparency and efficiency. This allows us to more effectively deliver the latest in-demand products while minimising inventory risks and waste.

Our agile global fulfilment network

Complementing our end-to-end intelligent supply chain, our agile and efficient global fulfilment network extends our reach across the world's principal consumer markets, spanning North and South America, Europe, the Middle East, Africa, South and Southeast Asia, and Oceania. Our network is built on a distributed footprint of supply chain and fulfilment locations anchored by a central logistics hub in China. This network delivers global fulfilment reach, an optimised freight mix and flexible assortment dispatch, enabling us to route and deliver products efficiently across the globe. Taken together, these capabilities allow us to serve a broad and geographically diverse customer base with agility and cost efficiency.

Our innovative technologies

We are focused on using technology to empower fashion. We have developed a proprietary technological ecosystem that empowers us to implement our unique LATR operating model. LATR is technologically demanding because it requires the full digitalisation of the supply chain to realise a very high level of operating efficiency and precise matching of supply and demand.

Our technological ecosystem is a vast and complex system of custom, proprietary software designed to make our end-to-end intelligent supply chain, agile global fulfilment network, and LATR possible. We own and operate a significant number of independently developed software systems that collectively form a proprietary technological ecosystem. In addition, we provide suppliers with a set of cloud-based software solutions that helps them manage all steps of the production process, including receiving orders, production, quality assurance, and shipping. This software is provided to suppliers for free, and enables suppliers who have limited technology capabilities to manage their production processes digitally, providing effective workflow management solutions that help solve the issue of inefficient process management. Additionally, our cloud-based software solutions enable suppliers to be fully digitally integrated with our supply chain. This allows us to automatically and intelligently allocate orders to suppliers based on expertise, price, capacity and other factors, helping suppliers maximise capacity utilisation. End-to-end digital integration with our intelligent supply chain also means suppliers benefit from our predictive insights into what products are, or are likely to be, popular with customers. By having visibility into demand, suppliers experience less working capital volatility, as they can maintain a "just right" level of inventory stock.

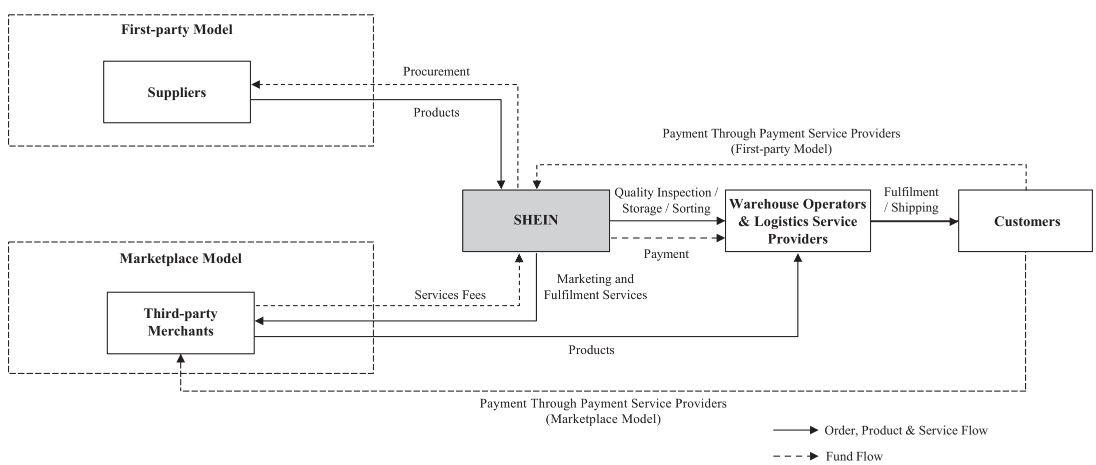
OUR PRODUCTS AND SERVICES

Our company brands, partnership brands and other brands offer consumers a vast and frequently updated selection of curated fashion and lifestyle products at affordable prices. We have become a destination for people to embrace trendy lifestyles and express their individuality.

Our brand journey began with our main company brand, SHEIN, which is focused on women's fashion, as well as a number of other company brands focused on serving customers across different price points and needs. These include MOTF for premium options, Glowmode for activewear, and SHEGLAM for cosmetics. Building on the success of our company brands, we have developed close partnerships with many brands to offer our customers an even more inclusive fashion selection. We empower these partnership brands with our agile and intelligent supply chain, allowing them to focus on design and styles to unleash their full potential and transform boundless creativity into reality with speed and certainty. To further satisfy our customers' desire for more choices and serve their everyday needs, we have also onboarded other brands, who use their own supply chains, on our marketplace to offer products across a wide range of categories, including fashion, accessories, beauty, and home and lifestyle. These complement the products offered under our own brands and partnership brands by increasing the diversity of products available to our customers.

Our wide and frequently refreshed selection of fashion and lifestyle products includes apparel, footwear, accessories, beauty, home, and lifestyle products. A significant portion of our company-branded products are designed entirely inhouse, with a focus on capturing the latest fashion trends and catering to regional preferences. As of 30 June 2026, we had over 370 in-house designers. In addition to inhouse designs, we collaborate with our contract manufacturers by leveraging our insights into fashion trends to design products that are popular with customers. We also work with independent design partners, such as those empowered by our SHEIN Xcelerator Programme, to produce distinctive designs. We procure our finished company-branded products from our contract manufacturers, and source non-company-branded products from a network of other suppliers. Our products attract customers due to the wide and constantly refreshed selection of products that we offer. Our product selection consisted of over 2 million apparel styles as of 31 March 2026, and our customers were able to discover an average of approximately 4,700 new apparel styles each day during the three months ended 31 March 2026 through our first-party model.

We have made our LATR operating model available to brands beyond our own. In doing so, we enable these brands to serve our large customer base by utilising our suite of value-added services to fulfil their specific needs. For example, merchants and brands who lack marketing or fulfilment capabilities can leverage our services to market their products and fulfil purchase orders. The following diagram illustrates the business flows, stakeholders involved and their roles under our first-party and marketplace models.



Under the first-party model, we procure products from our suppliers and deliver them to customers using the fulfilment services provided by our warehouses and logistics service providers. Under our marketplace model, third-party merchants manufacture or source their products from their own suppliers. We provide marketplace services to allow third-party merchants to sell to our users, and charge third-party merchants service fees. We also provide fulfilment services to third-party merchants to cover warehousing and logistics needs. We charge third-party merchants service fees for these services, which generally take the form of a commission for marketplace services and a fee for the fulfilment services provided.

For marketplace services, such commission is generally intended to compensate us for the costs associated with operating and supporting the marketplace, including traffic acquisition and customer reach, payment processing, platform operation, and other related marketplace services. The applicable commission rates vary depending on factors such as the relevant market, product category, service type and the scope of services provided, and generally range from 10% to 20% of the applicable transaction value.

For fulfilment services, fees are not subject to a single uniform commission percentage. Instead, fees are charged based on the specific fulfilment services provided and the applicable service standards, determined by reference to relevant operational factors, including whether warehousing is required, whether delivery services are required, the delivery distance or applicable delivery zone, the weight and dimensions of the goods, and the level of handling or service required. Accordingly, fulfilment fees are generally calculated on a service-by-service basis in accordance with the applicable fee schedule or service quotation, rather than as a fixed percentage of the transaction value.

In addition to the foregoing fee arrangements, our relationship with each third-party seller is governed by a number of terms, conditions and policies, with the most significant being a Marketplace Service Agreement that we enter into with them. The salient terms of our agreement with marketplace sellers for marketplace services include:

- *Term.* The agreement becomes effective upon the seller's registration for use of a Marketplace Service and continues until it is terminated by us or the seller.

- *Commission.* We generally charge sellers a percentage commission on sales proceeds, unless otherwise specified in a separately agreed-upon fee arrangement.

- *No exclusivity.* There is generally no exclusivity clause or equivalent clause prohibiting the seller from selling products on any other marketplace.

- *Costs allocation.* Sellers are responsible for all their own expenses in connection with the Agreement.

- *Product warranty*. Sellers must represent and warrant that they will comply with all applicable laws, including those pertaining to intellectual property, product safety and labelling, marketing and consumer protection.

- *Insurance*. We may require sellers to purchase product quality-related insurance if their gross sales exceed a certain threshold.

All marketplace sellers must represent that they are able to meet our product compliance standards and that their products are compliant with the laws and regulations in the countries where their products are sold. Marketplace sellers must abide by our Seller Code of Conduct which requires marketplace sellers to operate in full compliance with local laws, rules, governmental orders and regulatory requirements in countries or regions where they operate their business or sell their products through our marketplace. Our policies and procedures require sellers to submit documentation for our system checks and randomized manual reviews for products from specified categories, including those with specific regulatory requirements. To ensure compliance with these quality and safety standards, we conduct ongoing monitoring and random checks on products across our inventory, and take appropriate action based on those test results.

We are in the process of further expanding our related service offerings, and we plan to attract more brands, merchants and consumers to our marketplace. Our marketplace will provide us and our supply chain partners with more flexibility in the way we collaborate.

In view of our mix of products and services, the majority of our revenue consists of product revenue. We recognise revenue from the sale of apparel and other products through our mobile apps and website. We recognise product revenue at the point of time when the goods have been accepted by customers, which is when the goods are delivered to the customer. Customers either pay for the goods in advance or upon receipt of the goods. Sales related taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from net revenues. We also generate service revenues, which consist mainly of marketplace service fees charged to third-party merchants for completing sales transactions on our online marketplace. We generally act as an agent and our performance obligation is to facilitate the sale of the specified goods or services by those third-party merchants over our mobile app and website. We also generate service revenues from our cooperation with certain partnership brands. Revenues from our marketplace are recognised at the point of time upon the acceptance of goods by customers.

CUSTOMER ENGAGEMENT

Our Customers

We serve approximately 273 million active customers in approximately 160 markets in 2025. We provide our diverse customer base with broadened access to fashion and lifestyle, empowering them to express and celebrate their individuality, regardless of their culture, background, body type or identity. Our customers are primarily young women. There were no customers from whom revenues individually represented greater than 10% of the total revenues of the Group and the percentage of revenue attributable to the Group's five largest customers was less than 1% during any of the periods in the Track Record Period.

Our Customer Interfaces

We primarily engage with customers through our mobile apps and websites. SHEIN is our main app, and www.shein.com is our main website.

Regional customisation. Our mobile apps and websites have local language versions and customised layouts for our major markets. These different layouts reflect the most popular product categories and consumer preferences in catalogue browsing, and they feature current promotional events and photos of products that are fashionable and trending in target markets. We also use the know-how we have accumulated from operating in different countries and regions to tailor the products and services we offer in those markets to local preferences.

Product recommendations. Our mobile apps and websites feature customer interfaces and visual displays that are personalised for each customer, with products more likely to appeal to the customer displayed more prominently in the interface.

Merchandise display. Our dedicated user experience design team optimises our merchandise display so that consumers can discover fashion more easily. To support our frequent and sizable new product rollouts, we have an in-house visual merchandising team consisting of photographers, make-up artists, stylists and editors, who help us effectively photograph and display merchandise on our mobile apps and website.

Standard Terms and Conditions with Our Customers

The following standard terms and conditions generally apply to most of our customers, although certain regions may have additional or modified provisions to meet local practices, laws and regulations:

Payment terms. Payment is made when an order is placed by a customer.

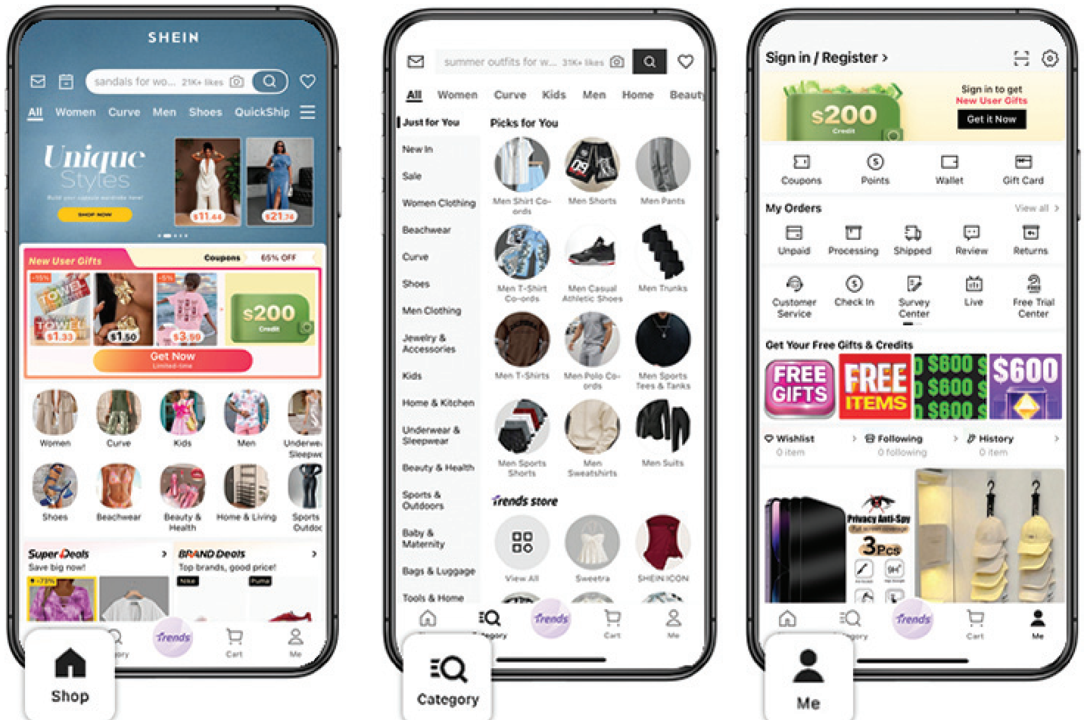
Delivery. We generally offer free shipping to our customers if the total order value exceeds a certain threshold. We provide an estimated delivery window for each order but we do not guarantee delivery within the estimated timeframe. Delayed delivery may be cancelled and refund processed subject to the applicable terms and conditions. Any legitimate claim arising from loss or damage during delivery of the order must be made within a specified time after such customer received the goods or should have received the goods. If we determine that a customer's claim is valid, at our discretion, we will either replace the item that was damaged or lost during shipment, or we will reimburse such customer the purchase price and shipping cost paid.

Warranty. We are obliged to deliver our products in the condition required by applicable laws and regulations.

Return and refund. Most items sold may be returned within a certain period of time after delivery with some exceptions if they meet all applicable return requirements in accordance with our return policies. We offer free return shipping in selected regions and on a specified number of return(s) of one or multiple eligible items for every order within the return window. We also reserve the right, at our sole discretion, to issue a refund for an item without the need of returning the item. For products that are returned in accordance with our return policies and pass our quality check, refunds will be processed and issued. In jurisdictions where customers have a statutory right of withdrawal, our current practice and procedures comply with applicable laws and regulations.

Third-party merchants. We do not guarantee the availability, quality, timing, condition, safety or legality of products offered for sale by third-party merchants. To the fullest extent permitted by applicable law, we expressly disclaim and are released from any and all liability that may arise between customers and any third-party merchants. We disclaim all warranties, representations, and conditions of any kind with respect to any products offered or sold by third-party merchants.

Below are images showing key interfaces that customers see as they shop on SHEIN:



Note: User interfaces shown from SHEIN's US mobile site for illustrative purposes.

MARKETING

To drive better customer engagement, we utilise a range of marketing channels to deliver advertisements or promotional messages to consumers around the world.

We have a vibrant online community. We work with popular online influencers across the world, who help us promote our brand or products. From time to time, we may design limited edition products for particularly popular online influencers. In addition, we also engage in a variety of performance-based marketing activities, including paid search, product listing advertisements, paid social and search engine optimisation.

We have conducted offline marketing and promotional activities mainly via marketing events, fashion shows, pop-ups and showrooms. We also have promotions in the form of special holiday events in different regions.

SUPPLY CHAIN

Our Supply Chain Partner Network

We have a global network of supply chain partners that includes contract manufacturers, merchants, and other suppliers that include upstream suppliers of fabrics procured by and packaging used by contract manufacturers. Currently, our supply chain partners outside of China primarily serve the domestic and regional markets of the regions in which they are located.

We empower our supply chain partners with advanced technology capabilities and value-added services, helping them reach a vast customer base and grow. In particular, we provide suppliers with a suite of cloud-based software solutions that helps them manage the key steps of the production process, including receiving orders, production, quality assurance, and shipping. These solutions enable suppliers who have limited technology capabilities to manage their production processes digitally, effectively and efficiently.

Our most significant supply chain partners are our contract manufacturers, from whom we procure finished company-branded products. In 2023, 2024 and 2025, we had approximately 5,800, 7,200 and 7,500 contract manufacturers, respectively, and the products that we procured from these contract manufacturers accounted for a substantial majority of our products in terms of procurement value in each of these years. Set out below are the salient terms of our standard agreement with our contract manufacturers:

- *Term.* Our agreement typically provides for a one-year term, which renews automatically unless terminated.

- *Minimum purchase agreements.* We do not specify any minimum purchase requirements.

- *Product quality and warranty.* Contract manufacturers are required to warrant that their products meet national and regional requirements and our quality and standards, and we have the right to cause contract manufacturers to replace defective products, among other remedies.

- *Order management*. Orders are placed through our supplier management system.

- *No exclusivity.* Contract manufacturers are not restricted from supplying products to other companies.

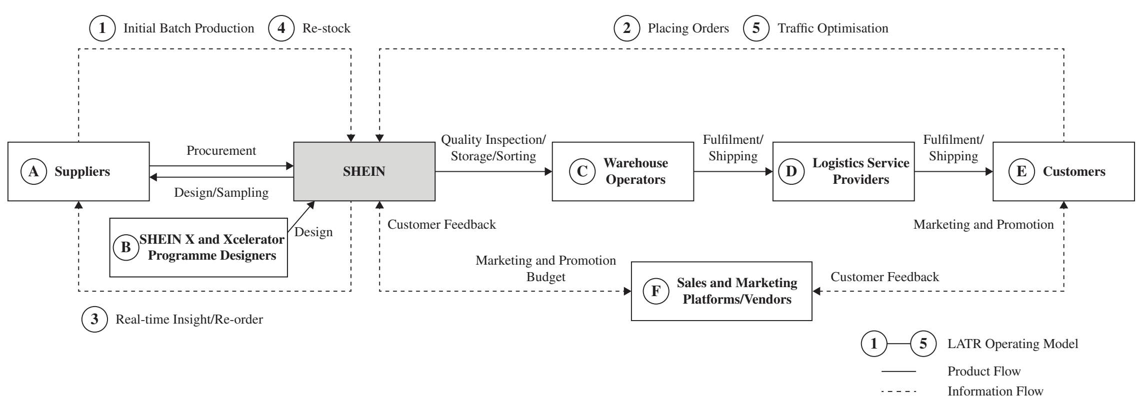
- *Compliance*. The contract manufacturer must comply with all applicable laws, including those relating to labour and the environment, as well as our code of conduct and other policies.

- *Subcontracting*. The contract manufacturer may not subcontract its obligations without our consent.

- *Termination*. The agreement may be terminated upon 30 days' written notice by either party, among other conditions.

We also procure non-company-branded products and services from our other suppliers. There were no suppliers from whom purchases individually represented greater than 10% of the total purchases of the Group during any of the periods in the Track Record Period. For each of the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026, the Group's five largest suppliers in each period accounted for 14.9%, 12.2%, 16.4% and 16.4% of the Group's total purchase, respectively, among which the largest supplier in each period accounted for 5.0%, 3.9%, 6.0% and 5.2%, respectively. We generally enter into framework agreements with our contract manufacturers, which typically last for one year with a renewal option. As we have a large number of supply chain partners, we do not believe that our business is dependent on any one of them.

The following flow chart illustrates how we and our supply chain partners serve our customers:



The key steps involved in our LATR operating model, as shown in the flow chart above, are the following:

(1) *Initial batch production*. Leveraging our data-powered insights about what products are likely to sell well, our contract manufacturers make an initial batch of production of 100-200 items.

(2) *Placing orders*. Customers select products from our mobile apps and website to place orders.

(3) *Real-time insight/re-order*. We analyse customer purchase behaviour on a real-time basis, identify winning products, and share our insights with suppliers. Where products sell well, we place a large re-order for mass production. We are able to automatically select optimal suppliers for mass production by identifying suppliers with underutilised capacity.

(4) *Re-stock*. After receiving re-order insights from us, contract manufacturers mass produce the product to enable us to restock the product (i.e. place new stock of the product on shelf).

(5) *Traffic optimisation*. We use a combination of data insights, algorithms and other technological innovations to continually ensure customers are presented with products they like on our mobile app and website.

The key stakeholders shown in the flow chart above are the following:

(A) *Suppliers*. These are primarily contract manufacturers who produce company-branded products and with whom we have entered into direct procurement contracts. They may design the products themselves, use our designs, or use designs from SHEIN X and Xcelerator Programme Designers. These suppliers are integrated into our end-to-end intelligent supply chain and empowered by our supply chain solutions.

(B) *SHEIN X and Xcelerator Programme Designers*. Empowered through the SHEIN X and Xcelerator Programme, designers create and design while we handle manufacturing, marketing and retail. SHEIN X and Xcelerator designers can either pay for services provided by us or earn commissions on sales of products they design and retain the intellectual property rights to their designs.

(C) *Warehouse operators*. These operate our global network of warehouses, to which orders are shipped from supply chain partners. Upon receiving customer orders, we package and ship products directly from our warehouses to customers.

(D) *Logistics service providers*. These consist of logistics service providers that we utilise to deliver products to customers.

(E) *Customers*. We have a large, global customer base. We had approximately 273 million active customers for the year ended 31 December 2025, and served approximately 160 countries and regions as of 31 December 2025.

(F) *Sales and Marketing Platforms/Vendors*. These are service providers that help us optimise our sales and marketing efforts.

Our Intelligent Supply Chain

Our end-to-end intelligent supply chain is one of the foundational pillars of our LATR operating model. We have developed an intelligent supply chain management system to coordinate and manage the production of the products we sell. We provide suppliers with a set of proprietary, cloud-based, modular software solutions that helps them manage all steps of the production process, including receiving orders, production, quality assurance, and shipping. This software is provided to suppliers for free, and enables suppliers who have limited technology capabilities to manage their production processes digitally, providing effective workflow management solutions that help solve the issue of inefficient process management.

Additionally, our cloud-based software solutions enable suppliers to be fully digitally integrated with our supply chain from end to end, giving us full-chain visibility. This allows us to automatically allocate orders to suppliers based on expertise, price, capacity and other factors, helping suppliers maximise capacity utilisation. Integration with our end-to-end intelligent supply chain also means suppliers benefit from our predictive intelligence capabilities, which provide granular insights into what products are, or are likely to be, popular with customers. Coupled with our real-time forecasting and reordering capabilities, suppliers experience less working capital volatility, as they can maintain a "just right" level of inventory stock.

The key strengths of our supply chain management system are its digitalisation, flexibility, automation and transparency.

- *Intelligence*. The intelligent nature of our supply chain management system enables us and our supply chain partners to operate together as one, enhancing operational efficiency and synchronisation in the process. We offer suppliers a suite of supply chain management software that is integrated with our proprietary technology platform, enabling us to plan and manage every major step of the supply chain process, including merchandising planning, design, sourcing, manufacturing, and fulfilment. This digital foundation extends to our AI-powered design capabilities, which apply technology to pattern development and AI fashion photography.

- *Flexibility*. Our supply chain management system lays the foundation of LATR. It enables us to respond quickly to shifts in consumer preferences and market trends, as well as shorten our product cycles, supported by dynamic supply chain orchestration that facilitates intelligent resource allocation and optimised capacity and inventory management across the network.

- *Automation*. Our supply chain management system automates key tasks in the supply chain process, such as placing orders and matching products with suppliers. Through automatic order allocation and process monitoring, together with real-time forecasting and reordering, we improve our operational efficiency and responsiveness across the supply chain.

- *Transparency*. Our intelligent supply chain management system is able to provide full-chain visibility into our suppliers' production capacity and progress, and supporting actionable, data-driven decisions throughout the process. The transparency provided by our intelligent supply chain management system also plays an important role in our quality control process, making it easier to address production issues and improve product quality.

Large-scale, Automated, Test and Reorder (LATR)

We have leveraged our end-to-end intelligent supply chain and agile global fulfilment network to develop LATR, a highly scalable proprietary operating model that features on-demand, small-batch production. Initially applied to apparel, this model is highly nimble and responsive to market demand. We refer to this operating model as LATR, which stands for Large-Scale, Automated, Test and Reorder. It entails launching new products in small initial batches to test how strong market demand is for the product. If the product sells well, we order more of it. This process of testing and re-ordering is highly automated, and we apply the model at scale to a vast number of different new products. The diagram below illustrates our LATR operating model.

Demand-Supply Matching

Through LATR, we can economically and rapidly address shifting consumer preferences at scale. Because an initial production batch consists of approximately 100 to 200 items, we can quickly launch a large number of new products with minimal upfront commitment, inventory risk, and resource waste. If a product sells well, we can rapidly scale up its production to meet consumer demand. We can rapidly launch small initial batches, and restock products that are in demand in as few as five days.

Supply Chain Management

Responsible sourcing and supplier management. SHEIN is a signatory to the United Nations Global Compact (UNGC) and supports the Ten Principles focused on labour standards, the environment, and anti-corruption. We are committed to responsible sourcing, as well as promoting social responsibility and sustainable practices. To that end, in recent years we have adopted and implemented a robust set of supply chain management policies and programmes. These mechanisms require suppliers to comply with health and safety, employment and social welfare, and environmental standards, as well as applicable laws and regulations. For example, we have implemented a supplier code of conduct, which has been formulated to generally align with the core conventions of the International Labour Organization and the United Nations' Universal Declaration of Human Rights, and prohibits the use of unethical or unlawful employment practices. The code of conduct also requires suppliers to seek prior consent from SHEIN before entering into any subcontracting arrangements, and requires suppliers to ensure the continuous compliance of any permitted subcontractors with the rules set out in the code of conduct. Our code of conduct is periodically updated to ensure that it addresses changing supply chain conditions and evolving regulatory risks. We also published supplier responsibility standards that further detail our expectations for our global supply chain across areas such as employment, health and safety, the environment, and ethics.

We continue to enforce compliance with our code of conduct and other supplier policies through the SRS policy, which establishes clear guidelines and accountability measures for violations of our code of conduct. We have also collaborated with third-party experts, such as social compliance organisations, to benchmark and align our SRS framework with industry standards. Under SRS policy, all new contract manufacturers must undergo an SRS screening assessment as part of the onboarding process with us. Those who do not meet our standards will not be approved to work with us. Once onboarded, we provide contract manufacturers with ongoing sessions about complying with our code of conduct, and encourage them to complete self-assessments about their SRS compliance.

Existing suppliers are subject to full on-site SRS audits annually, with the frequency and prioritisation determined based on multiple factors, such as supplier size in terms of procurement value, past SRS audit results and random sampling. In addition to auditing contract manufacturers, we also conduct SRS audits of subcontractors and upstream suppliers to verify that our contract manufacturers are enforcing our compliance requirements through their supply chain. As a result of our scoping approach, in 2023, 2024 and 2025, we conducted approximately 4,200, 4,550 and 5,150 SRS on-site audits, respectively, on supply chain partners (including mainly contract manufacturers) and subcontractors globally. Our SRS audits covered contract manufacturers who accounted for approximately 95% of our company-branded products by procurement value in each of 2023, 2024 and 2025. We have continued to build up our compliance programme to cover more supply chain partners and subcontractors globally.

SRS audits are conducted both by our own inhouse audit teams, as well as internationally renowned third-party auditors, including Bureau Veritas, Intertek, Openview, SGS, TÜV Rheinland and QIMA, all of which are member firms of the Association of Professional Social Compliance Auditors. Our in-house audit team members generally have relevant professional backgrounds in social responsibility auditing or supply chain compliance management, together with relevant practical experience. All in-house audit personnel are required to complete structured training on a range of topics, including, among other things, SRS standards, assessment criteria and audit procedures, as well as training provided by multiple third-party auditors. Our in-house team primarily focus on conducting SRS screening assessments of new supply chain partners during the onboarding process. We allocate SRS audit assignments between our inhouse team and third-party auditors based on a holistic assessment of project requirements, available audit resources, the stage of development of our supply chain in the relevant market, and overall quality assurance considerations. The proportion of audits conducted by third-party auditors as compared to our inhouse team varies by market accordingly. For example, in 2025, over 99% of on-site SRS audits were conducted by third-party auditors.

During SRS audits, auditors conduct extensive procedures to assess compliance with our SRS policy, including collecting samples of workers' payslips and timesheets, and interviewing workers to examine compliance with our policies. Supply chain partners are audited against an extensive assessment checklist that evaluates their compliance with our code of conduct and other social responsibility commitments and guidelines. We periodically review these severity classifications to strengthen alignment with industry standards, regulatory requirements and stakeholder expectations.

Through SRS audits, suppliers and subcontractors may be assigned a grade of A, B, C, D or E. Particularly severe violations are classified as either Immediate Termination Violations ("**ITVs**") or Immediate Remediation Violations ("**IRVs**"). ITVs cover the most severe violations, including ethics and transparency issues (such as bribery or refusal to cooperate with SRS audits) and severe violations of employee rights. IRVs cover serious violations that warrant urgent rectification in order for us to continue our business relationship with the relevant supplier, including other types of violations besides those which constitute ITVs (such as failure to pay minimum wage, delayed wage payments or other severe wage violations), workplace health and safety issues and serious environmental pollution.

Any supplier or subcontractor who is found during an SRS audit to have committed an ITV or an IRV is assigned an E grade. If an SRS audit determines that one of our contract manufacturers has committed an ITV, that contract manufacturer is subject to immediate termination of its business relationship with us. Contract manufacturers found with IRVs are required to remediate their practices within a strict timeline or likewise face termination, but we do not tolerate repeat offences and suppliers that are rated E for two consecutive audits are terminated. Similarly, if an SRS audit identifies that an upstream supplier or subcontractor has committed an ITV or has failed to remediate an IRV within the prescribed timeline, we unilaterally take action by prohibiting contract manufacturers from procuring from that upstream supplier or subcontractor. Any terminated suppliers are removed from our enterprise resourcing planning system, which serves to remove that supplier from our supply chain. Accordingly, we terminated relationships with 5, 12 and 5 suppliers in 2023, 2024 and 2025, respectively, due to their violation of our SRS policy. Nevertheless, even for suppliers that we have decided to terminate, we send them an action plan with guidance on how to remediate identified violations, in order to educate and empower them to take steps to improve conditions in their facilities.

We provide additional incentives for suppliers who receive an A or B grade on their SRS audits, which has included expanded training access and opportunities to supply for our product initiative aimed at accelerating the use of preferred materials and scaling responsible manufacturing. Suppliers who receive a grade of D or E are placed under closer monitoring as they pose higher compliance and business risks for SHEIN, and are required to undergo an additional on-site audit within the same 12-month period. In all cases, suppliers receive a copy of their SRS audit report together with a set of remediation suggestions to act upon.

In addition to SRS audits, we implement grievance mechanisms, encouraging employees and contractors working at supplier facilities to report any suspicions or concerns that they may have, including those about potential labour issues. We maintain a multichannel feedback system for reporting concerns directly to SHEIN. Additionally, during some supplier audits, our SRS auditors distribute grievance cards to workers, which outline the process for submitting complaints. We protect whistleblowers and any discrimination against them is strictly prohibited under our policies.

Training and empowerment. We hold regular workshops and trainings for suppliers on social compliance, covering labour practices and other topics. Through these sessions, suppliers maintain their understanding of our supply chain governance policies, learn best practices for compliance with local labour laws, and gain a better understanding of compliance risks in their operations. Additionally, through our Supplier Community Empowerment Programme, we have been implementing long-term initiatives to empower suppliers in factory enhancement, facilities upgrades, technology innovation, training support and community engagement, helping to create a stronger and more resilient supply chain.

Materials usage. We are making efforts to use more preferred materials that include environmental improvements over conventional or status quo options, such as recycled polyester, forest-safe man-made cellulosic fibres sourced from producers that achieved a 'Green Shirt' rating in Canopy's annual Hot Button Report, and rescued deadstock fabrics. We leverage our scale to pre-negotiate the pricing of materials from key fabric suppliers and provide a listing of these fabrics on a digital fabric library that our contract manufacturers can easily access to directly purchase any fabrics they need.

Product safety and quality. Across the products listed on our apps and website, we have put in place a multifaceted product safety protocol which ensures product compliance with applicable laws and regulations and our product standards, across various stages from listing to point of sale. To help ensure that our company-branded apparel products meet applicable chemical safety standards, we maintain and implement a restricted substances list, which sets out restricted substance standards for chemical formulas that may be used in the production process, such as dyes, additives, and finishing agents, and was developed with reference to the

Zero Discharge of Hazardous Chemicals (ZDHC) manufacturing restricted substance list. For both apparel and non-apparel products, we conduct random inspections of selected finished products on a monthly basis. These inspections include a number of different tests, depending on the product type, composition, and associated risks. For apparel products, for instance, we test for factors such as tear strength, pilling and colour fastness, in addition to chemical testing. These tests are conducted by international third-party testing agencies. In 2025, we conducted over 800,000 inspections on apparel products for compliance with relevant standards. For company-branded products, once we identify any non-compliance with relevant standards, we will take appropriate follow-up actions, which may include imposing fines, restricting orders from or even terminating the business relationship with the noncompliant supplier, depending on the severity of the case. For products on our marketplace, once a marketplace seller's performance is assessed to be non-compliant or in violation of our requirements, we will take measures against the seller such as removing the product listing, restricting the seller's store operations, or even termination of the seller, depending on the severity of the case. To date, we have not received any material complaints or experienced any material product recalls, product returns, order cancellations or liability claims during the Track Record Period and up to the Latest Practicable Date.

FULFILMENT

We serve more than 273 million active consumers in approximately 160 markets across the world. Effective fulfilment capabilities are crucial to maintaining customer satisfaction through our agile global fulfilment network.

Warehouses. We have a global network of warehouses, comprising over approximately 6.0 million square meters of warehouse space across Asia, North America, Europe, the Middle East and South America as of 30 June 2026. Once the Company's supply chain partners produce a small batch of products, that batch is shipped to one of the Company's warehouses. Upon receiving customer orders, the Company packages and ships products directly from its warehouses to customers around the world. We have been increasing our efforts to establish warehouses around the world in order to be closer to the markets that we serve.

Delivery. While our shipping policies vary from market to market, we generally offer free shipping to our customers if the total order value exceeds a certain threshold. We use third-party logistics service providers to provide cross-border shipping and last-mile delivery. The costs of using these service providers can vary based on market conditions. For example, the COVID-19 pandemic affected logistics service providers, causing decreased air freight capacity and an increase in shipping costs before returning to relatively normal levels as the COVID-19 pandemic receded in 2023. Some of our logistics service providers are also responsible for customs clearance, as well as compensating us for lost or delayed items. In 2025 and for the three months ended 31 March 2026, over 90% of orders were delivered within 10 business days from the time the order was dispatched.

Returns and customer service. We care deeply about customer satisfaction, and have adopted generous return policies for different markets. Generally, after our customers receive a product, they have a certain period of time to return that product for a refund or exchange. Return shipping is either free or based on a market-comparable rate. We had 25 customer service centres around the world as of 31 March 2026.

TARIFFS

As we ship products from the Chinese mainland to customers across approximately 160 markets, our business is subject to constantly evolving tariffs, duties and other trade-related costs in the jurisdictions where our customers are located. See "Regulations — Regulations Related to Import and Export" and "Summary — Recent Developments and No Material Adverse Change — Tariff Update". Currently, the majority of the products manufactured by our supply chain partners are stored in our central warehouses in the Chinese mainland before shipping. In 2025, products stored in our central warehouses in the Chinese mainland represented over 90% of our net revenues. Since May 2025, in response to the removal of the *de minimis* exemption, we have begun passing on the majority of the additional tariff costs by increasing our prices in the U.S. market. We are also adjusting our import and export practices as necessary. For example, for products previously eligible for the *de minimis* exemption, we have transitioned from a simple customs entry process for *de minimis* packages to a customs clearance process that requires more extensive documentation and procedures. Amongst other things, we have adopted necessary protocols for the formal entry process to ensure compliance with the more stringent documentation and other procedural requirements. Beyond the U.S. market, we expect to pursue a wide range of options in Europe in response to the removal of the EUR 150 customs duty exemption for low-value consignments. See "Risk Factors — B. Risks Related to International Trade and Taxation — Tariffs and International Trade Policy — The modification or removal of the *de minimis* or other similar exemptions from import duties, or the increase of tariffs, value-added taxes or other duties, may materially and adversely affect our business and financial condition."

In navigating the evolving duty and tariffs landscape across our markets, we have generally adopted a principles-based framework that includes (a) passing through incremental duty costs to consumers via targeted price adjustments, supported by our dynamic pricing technology and strategy, (b) reducing cross-border duty exposure by increasing locally-held inventory and expanding partnerships with local fulfilment providers, and (c) maintaining a dedicated trade compliance function to monitor evolving customs and trade policy developments and adapt our practices accordingly.

TECHNOLOGY

We have developed a proprietary technology platform that integrates and supports all of our business functions and helps us operate more effectively. We own and operate more than 1,700 in-house developed software systems that collectively form a proprietary technology platform capable of managing and automating the flow of goods, services, information and funds throughout our business, including in the areas of supply chain management, intelligent manufacturing, intelligent operations and maintenance, and data analytics. Our technology platform integrates big data and artificial intelligence capabilities.

The key features of our proprietary technology platform include:

- *Product lifecycle management*. We use our proprietary technology platform to manage the key steps in the lifecycle of each product, including trend forecasting, merchandise planning, design, manufacturing, sales, fulfilment and customer feedback. Our technology platform also helps us analyse and identify current fashion trends to address the evolving needs of our global, diverse customer base.

- *Supply chain management.* Our proprietary technology platform helps us better manage our vertically-integrated supply chain. We empower suppliers with cloud-based software that helps them manage the key links in the supply chain, including receiving orders, production, quality assurance, and shipping.

- *Procurement management*. Our technology platform efficiently connects our procurement specialists and suppliers by providing a one-stop portal through which procurement specialists can browse, select and purchase designs or products offered by suppliers.

- *Demand tracking*. Technology helps us track consumer demand for each product in real time. For example, in the context of LATR, we use technology to manage both initial orders and reorders, calculating when and how much we should re-order based on the sales performance of each product. This information is then passed through our proprietary technology platform to place reorders with our suppliers. Our ability to track demand and reorders accurately is instrumental for maintaining optimal levels of inventory.

- *Warehouse management*. We use technology to monitor each step of the warehousing process, from the time a product is inspected and stocked, right up to when the product is loaded for shipping. Inside each warehouse, inventory is bar-coded and tracked through our warehouse management system, allowing real-time monitoring of inventory levels across our logistics network and item tracking at individual warehouse sites.

We have built technology infrastructure that helps ensure high availability and a low risk of downtime. Our technology infrastructure enables us to accurately process and fulfil increasingly large numbers of orders at peak periods while maintaining processing speed and quality consistency, as well as providing supply chain visibility. We currently use Amazon Web Services, Microsoft Azure, Google Cloud Platform and other third-party cloud computing services to host our network infrastructure.

We are also making investments to modernise garment manufacturing technologies and processes. Established in 2022, the SHEIN Centre of Innovation for Garment Manufacturing (the "**CIGM**") focuses on developing waste reduction and efficiency-enhancing technologies that can be standardised and scaled across our entire supply chain. The CIGM engages in garment manufacturing tool and equipment development, focusing on intelligent production and automation, to improve production quality and efficiency, achieve cost savings, and machinery adjustments to make it easier for supplier personnel to operate. In 2025, the CIGM was granted 12 patents and had 34 patents pending for new technologies and tools. The CIGM also developed over 70 new sewing and garment-making tools, helping our supply chain partners achieve significant productivity improvements.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Overview

Our commitment to sustainable and responsible growth is woven into the fabric of our business model. We have established our evoluSHEIN roadmap as an enterprise-wide sustainability strategy to drive our environmental and social impact initiatives, and have set tangible goals to track our progress. We believe that we can transform traditional industry practices through innovation, and advancing sustainability will remain a key focus as our business grows. See also "Regulations — Regulations Related to ESG" elsewhere in this document.

We actively identify and monitor ESG risks and opportunities that may impact our business. We utilise a double materiality assessment that serves as a strategic compass to guide our sustainability and social impact initiatives by identifying the issues that our stakeholders assessed to have the most significant impact on our financial performance, and that our operations have on the planet and the communities we serve. By identifying the material issues and their corresponding impacts, risks, and opportunities, we can develop and implement strategies that are aligned with our organisational goals and values, as well as the perspectives and expectations of our key stakeholders. Our materiality assessment consists of the following steps: (1) review of our business activities and value chain, (2) identification of relevant sustainability-related issues and scoping of potential impacts, risks and opportunities, (3) engagement of stakeholders, (4) prioritisation of sustainability matters, and (5) calibration of material impacts and risks.

The key risks we have identified are described in more detail in "Risk Factors" section, and particularly those set out under the subheading "— F. Environmental, Social and Governance ("ESG") Risks."

ESG Governance

Our ESG policies and activities are overseen by our Board, our Sustainability Committee, and our global head of sustainability. Our Sustainability Committee consists of not only certain of our Directors and senior executives, but also representatives of our external stakeholders. Collectively, the members bring extensive experience in ESG and sustainability oversight, including dedicated leadership roles focused on ESG and sustainability at global investment firms, executive oversight of our own sustainability strategy and business model, and experience in responsible investment and stakeholder engagement gained at institutional investors. Our Sustainability Committee advises on and oversees our strategies and initiatives to manage, monitor and measure ESG matters in our operations and management. Our Sustainability Committee is responsible for, amongst other things, advising our Board with respect to our overall strategy and management with respect to ESG matters, as well as adopted ESG-related policies, strategies and initiatives. Under the leadership of our global head of sustainability, our sustainability team works closely with all business functions to implement sustainability policies and initiatives.

To further ensure that our ESG efforts are aligned with those of our key stakeholders and the wider community, we have established the SHEIN ESG External Advisory Board (EEAB), an advisory group consisting of external ESG experts. The EEAB is focused on providing us with strategic advice on key ESG topics.

Innovative Operating Model That Minimises Waste

We believe we have a unique operating model that, by design, helps us minimise overproduction and inventory waste. We have pioneered LATR, a highly scalable, proprietary operating model that features small-batch, on-demand production. Underpinned by an end-to-end intelligent supply chain and an agile global fulfilment network, this model enables us to base order decisions on customer feedback in real time, which helps keep our inventory waste low. This means we can offer a wide range of products without accumulating large inventories of unsold products, as well as consistently achieve a high inventory turnover. We aim to continually improve our processes and practices to reduce waste in pursuit of a circular future.

Initiatives Across the Value Chain

We are taking active steps to mitigate our environmental impact across the value chain. In addition to our responsible sourcing and supply chain management initiatives described above, we are also pursuing initiatives in the following areas:

Decarbonisation. We are committed to reducing overall emissions in our own operations and across our value chain. We have established voluntary climate-related targets, which have been approved by the Science Based Targets initiative (SBTi) in accordance with their criteria and considerations for the 1.5°C emissions pathway. These targets are as follows: (i) near-term targets to reduce absolute Scope 1 and 2 GHG emissions by 42% from 2023 levels by 2030 and reduce absolute Scope 3 GHG emissions by 25% from 2023 levels by 2030, as well as to increase active annual sourcing of renewable electricity to 100% by 2030, (ii) long-term targets to reduce absolute Scope 1, 2 and 3 GHG emissions by 90%, relative to 2023 levels, by 2050, and (iii) a long-term net-zero target of working towards net-zero GHG emissions by 2050. In 2024, with the support of a sustainability consultant, we developed a decarbonisation roadmap which translates our science-based targets into a sequenced set of actions across Scopes 1, 2 and 3, outlining the strategic actions, resources, and milestones needed to achieve our near- and long-term science-based emissions reduction targets as validated by the SBTi. The roadmap: (1) identifies key decarbonisation levers across our operations and value chain; (2) prioritises actions based on emissions-reduction potential, feasibility, readiness and cost; (3) accounts for our on-demand business model, projected growth and evolving regulatory expectations; and (4) is reviewed periodically to reflect developments in technology, policy and market conditions. Our priority actions aim to reduce: (1) direct emissions within own operations (i.e. from offices and warehouses we operate), and emissions from our electricity purchases and (2) indirect emissions across our entire value chain beyond our own operations, which depend on our collaboration with our suppliers and other value chain partners.

To reduce our Scope 1 and 2 emissions, our current priority actions include transitioning to renewable energy, improving energy efficiency, as well as eliminating direct fossil fuel use where possible and reducing fugitive emissions. In 2025, we made progress towards these actions by, among other things, purchasing more electricity derived from renewable sources for our own operations and implementing energy efficiency measures across our facilities in the Chinese mainland. In 2025, renewable energy made up approximately 85% of the electricity consumption across our operations, up from 76% in 2024. We also increased our on-site electricity production from solar energy, with 93.9 MWp of installed solar photovoltaic capacity, a 67% increase in capacity compared to 2024. In 2025, we consumed 36,909.5 MWh of solar energy, corresponding to an estimated reduction of 19,576 metric tons of CO_2e.

To reduce our Scope 3 emissions, our priority actions include reducing the use of virgin materials and transitioning to lower-impact alternatives, promoting lower-impact manufacturing processes, optimising transportation routes and improving transport efficiency as well as minimising and managing our waste. In 2025, we made progress towards these goals by, among other things, supporting the adoption of rooftop solar energy in our supply chain by connecting suppliers with third-party experts who support suppliers in developing solar PV installation plans, promoting the use of lower-impact manufacturing processes in supplier facilities, as well as optimising air routes and switching to trucking for shorter routes. By the end of 2025, 142 of our suppliers had installed rooftop solar photovoltaic systems, with a total of 139.6 MWp installed capacity since 2023. The consumption of solar energy is expected to result in emission reduction of 64,806 metric tons of CO_2e.

The table below sets out our emissions by type for the years indicated:

		Year Ended 31 December		
Category	**Description**	**2023[1]**	**2024[2]**	**2025**
		(metric tons CO_2e)		
Scope 1	Fossil fuel combustion emissions	1,446	2,809	5,331
	Fugitive emissions	5,107	1,407	2,979
Scope 2	Market-based emissions	25,788	26,695	20,535
	Location-based emissions	91,505	121,566	122,777
Scope 1 + Scope 2	Market-based emissions	32,341	30,911	28,846
Scope 3 (under our near-term SBTi Targets)	All Scope 3 under our near-term SBTi targets	18,122,772	20,443,652	19,045,150
Scope 3 (Total)	Total Scope 3	21,260,511	26,173,068	25,575,117
Total Scope 1 + 2 + 3 (under our near-term SBTi targets)	Total Scopes 1 to 3 under our near-term SBTi targets	18,155,113	20,474,563	19,073,995
Total Scope 1 + Scope 2 + Scope 3	**All scopes combined**	**21,292,851**	**26,203,979**	**25,603,962**

Notes:

(1) In 2024 and 2025, we updated our emission calculation methodology which has led to recalculations of our historical emissions.

(2) As a result of certain updates to the Scope 3 emissions data, there is a slight difference in the reported 2024 emissions data between our 2024 and 2025 ESG reports.

Design. We continue to advance our product initiative aimed at accelerating the use of preferred materials and promoting more sustainable practices. Garments made under this initiative must consist of at least 30% preferred materials with a lower environmental impact than conventional or status quo options, be manufactured by suppliers that have achieved an above-average rating in an SRS audit conducted by an accredited third-party or have been certified to an independent third-party standard, and be shipped in packaging comprising at least 50% preferred materials, such as recycled PE. In 2025, around 7% of company-branded products made with textiles designated by SHEIN were made in accordance with the standards of this product initiative. We are committed to sourcing more company-branded products through this initiative. We leverage our digitally connected supply chain and utilise a proprietary materials traceability management system to track the sourcing of our preferred materials, such as recycled polyester.

Materials. We are making efforts to use more preferred materials for both apparel and packaging. We are a member of Textile Exchange, and we use their guidance on our use of preferred materials to select materials with improved environmental or social sustainability outcomes and impact. We are also signatories of the CanopyStyle and Pack4Good initiatives led by Canopy, a non-profit organisation dedicated to protecting the world's forests, biodiversity, and climate. We have set a target of transitioning approximately 30% of the polyester used for SHEIN-branded products to recycled polyester, a preferred material for our business, by 2030. In 2025, 9.2% of polyester directly sourced for SHEIN-branded products was recycled polyester, of which 13.4% was textile-to-textile recycled polyester. As a signatory of Canopy's Pack4Good initiative, we are taking steps to reduce and eliminate the impact of our paper-based packaging on the world's Ancient and Endangered Forests. As at the end of 2025, paper boxes used for our deliveries were FSC-certified with on-product labels. Through our engagement with Canopy, we are exploring additional opportunities and assessing the feasibility to further reduce the negative impacts on forests. This includes looking at how we can reduce overall material use, increase recycled content, or integrate Next-Generation fibres. In addition, we will work with Canopy to map our paper packaging supply chain to gain greater transparency into our current sourcing and identify areas for further improvement.

In 2025, 55.4% of all express delivery bags used in packages shipped by us globally were made of at least 50% recycled PE. We also made progress on our goal of transitioning our garment polybags to 100% Global Recycled Standard (GRS)-certified recycled PE, with 3.5% of all garment polybags procured for our brands meeting this standard in 2025. In 2025, in addition to increasing recycled content, we continued to find new ways to consume less plastic by optimising the thickness and design of our express delivery and garment polybags and use less packaging, without compromising functionality, which is estimated to have avoided 46.7 tonnes of virgin plastic in 2025.

Production. We promote the adoption of production technologies and processes that improve resource efficiency. These include cool transfer denim printing, a less water-intensive denim production process, and digital thermal transfer printing, a zero water waste printing process verified by third-party studies.

Circularity and waste. As a signatory of World Circular Textiles Day, we have taken steps to support the collective mission of shifting the fashion and textiles industry toward full circularity. We have launched SHEIN Exchange, a peer-to-peer resale platform which allows customers to sell pre-owned SHEIN items, in the United States, France, the United Kingdom and Germany. This platform has seen significant growth, with around 3.5 million new users joining in 2025, bringing the total number of active users to over 9.5 million. In 2025, more than 83,700 products were listed on this platform by approximately 78,400 unique sellers. We also work extensively to address waste across the product life cycle. In 2025, our partnership with Aloqia helped us rescue around 10,500 meters of deadstock fabric, corresponding to savings of approximately 70,690 cubic metres of water, 1,605 kg of chemicals, and 13.8 metric tons of CO_2e compared to traditional production according to the impact measurement algorithms developed by Aloqia. Moreover, we increased our proportion of packaging procured that contained at least 50% preferred materials, such as recycled polyethylene or paper packaging not sourced from Ancient and Endangered Forests for almost 20% of SHEIN-branded products, up from 17% in 2024.

Equitable Empowerment

We strive to improve the lives of our customers, employees, supply chain partners, and members of the larger global community that our business impacts each day.

Empowering customers. We aim to bridge the accessibility gap in fashion. We empower customers with affordable means of self-expression regardless of culture, gender, age, body type, ability or economic status. We have an inclusive product selection designed to serve customers' diverse styling needs, including extended sizing and alternative fit proportions.

Empowering employees. From our founding we have been committed to creating an inclusive business and work environment. Two of our four founders and approximately 55% of our employees are women. We provide employees at all levels with opportunities to develop their skills and grow their careers.

Empowering entrepreneurs. Through the SHEIN Xcelerator Programme, we have empowered nearly 20 brands from around the world with our direct-to-consumer services, helping them to access global markets and build their own brands. Through our end-to-end intelligent supply chain, we provide business opportunities to diverse small and mid-sized businesses around the world.

Empowering suppliers. Through our Supplier Community Empowerment Programme, we have been implementing long-term initiatives to empower our suppliers in aspects such as manufacturing technology innovation, training support, facilities enhancements, and community engagement.

Empowering communities. SHEIN Cares is our philanthropic commitment to support organisations advancing important causes in the communities around the world that our business impacts, such as empowering entrepreneurs and designers, promoting women's empowerment and gender equality, supporting the development of our youth, and alleviating poverty. Our philanthropic work is complemented by the SHEIN Foundation, a nonprofit organization established in 2024 to foster more inclusive and sustainable growth in the communities that SHEIN engages with across our global footprint.

DATA PRIVACY AND CYBERSECURITY

We are committed to protecting our users' privacy and personal information. We have developed policies to govern how we collect, store and access customer data and to ensure the security of our data and infrastructure. These policies are designed to meet the requirements of and comply with applicable cybersecurity and data protection laws, such as the California Privacy Rights Act, the California Consumer Privacy Act, the European Union General Data Protection Regulation, the UK General Data Protection Regulation and the UK Data Protection Act 2018.

Data Practices

We are focused on securing the data in our business. We strive to only collect the minimum amount of data necessary to provide our products and services and to optimise the customer experience. We have made public our privacy policy and disclosed the purposes for which we collect personal data. We obtain consent from users of our websites and mobile apps for the processing activities as described in our customer-facing privacy policy. For example, we obtain consent when a customer first registers a SHEIN account, each time they login, and before we set non-essential web cookies on their web browser.

Customer data is collected when customers interact with, create an account on, or order products from our websites or mobile apps. When information is collected from or about our customers, we take measures aimed at processing, using, and storing that information in compliance with applicable laws and regulations. We store consumer data with third-party cloud service providers, which are currently Amazon Web Services, Microsoft Azure and Google Cloud Platform. We generally store customer data in the jurisdiction in which it was collected. For example, for customers in the European Union, their data is stored in Google Cloud in Frankfurt, Germany. For U.S. customers, their data is stored in the United States on Microsoft Azure or Amazon Web Services. In the ordinary course of business, customer data may sometimes be required to be transmitted outside of the jurisdiction where the data is collected, such as when a buyer orders a product from a seller located in another jurisdiction and the order information must be transmitted to the seller so that they can attach it to the package to be delivered to the buyer. We strive to ensure that our third-party service providers can only use our customer's personal information for a limited set of purposes. To that end, we use contracts that prevent our service providers from using personal information for any purpose other than that for which we collected it from our customers. Most data shared with third-party logistics service providers is governed by our Data Processing Addendum, which restricts their ability to utilise shared data except as necessary to provide contracted services at our direction. In certain jurisdictions, some logistics service providers have taken the legal position that, by allowing customers to directly access their platforms for package tracking and other related services, they are a joint controller of customer data. In such instances, we require these logistics service providers to execute a Data Sharing Agreement, which identifies them as joint controllers but still limits them to only using customer data to provide the contracted services.

To further protect consumer data and ensure compliance, we have adopted global personal data de-identification standards and built corresponding technologies and infrastructure. Data is categorised into different types and levels with different access rights, helping ensure control over access to customer data. Persons without the requisite access rights will not be able to access customer data, or will only be able to access anonymized customer data. Our cybersecurity team conducts security annual audits to ensure compliance with cybersecurity and privacy regulatory requirements. Additionally, third-party certified bodies conduct periodic audits according to our certifications. These include BSI for ISO 27001 and 27701 certifications and Atsec for PCI DSS certifications. We have also implemented strict access controls to make sure that data can only be accessed by authorised personnel.

Ensuring Cybersecurity

We are committed to keeping our IT infrastructure secure and meet compliance requirements globally. We intend to further enhance our cybersecurity posture.

We have adopted cybersecurity and data privacy policies that are aligned with standards set by the International Standards Organization (the "**ISO**"), the National Institute of Standards and Technology (the "**NIST**"), and the Payment Card Industry's Digital Security Standard (the "**PCI DSS**"). Our policies set forth requirements and procedures designed to, amongst others, (i) protect us against cyberattacks and security vulnerabilities in our IT infrastructure systems, (ii) manage information security activities, (iii) integrate security-by-design and privacy-by-design principles throughout our software development lifecycle, (iv) ensure the security of the endpoints in our corporate and logistics networks, (v) protect our systems and data from unauthorised access or use, (vi) protect the safety of our physical facilities against unauthorised access or disruptions, (vii) protect our cloud infrastructure, and (viii) ensure we only use trusted software.

We have a dedicated cybersecurity and risk management organisation comprising around 190 staff as of 31 March 2026. Led by our chief security officer, who reports directly to our CEO, this organisation is focused on building and running security capabilities to identify threats, mitigate risks and ensure regulatory compliance. Globally, we have established clear lines of reporting, and our cybersecurity risks and associated mitigation practices are evaluated by senior leadership, helping ensure that we hold ourselves accountable with respect to cybersecurity matters. Our global Security Operations Centre also runs incident response plans that are aligned with global standards to monitor, document and remediate the impact of any potential cybersecurity incidents.

We are committed to continually refining our cybersecurity practices and ensuring that our data and systems are safe. We work with leading cybersecurity firms to conduct regular risk assessments based on internationally recognised security standards and frameworks, including ISO standards, NIST standards and the PCI DSS. Through these efforts, we continually refine our cybersecurity measures. We intend to further deepen our collaboration with industry experts and enhance our corporate governance practices with respect to data privacy and cybersecurity.

Our internal control consultant has reviewed data privacy policy and other supporting documents, examined our security certifications, and made inquiries with our management in respect of our mechanisms for collecting, using and storing personal data. Based on the above, our Directors are of the view that our internal controls with respect to data privacy and cybersecurity are adequate and effective.

Advances in technology, the expertise of hackers, new discoveries in the field of cryptography or other events or developments could result in a compromise or breach of the technology that we use to protect confidential information. We have been subject to immaterial cyberattacks in the past. See "D. Risks Related to Data Security, IP and Technology — Data Security and Privacy — Failure to protect personal, confidential or sensitive information of our customers and supply chain partners and network against security breaches could cause us to incur unexpected expenses and loss of revenues and may materially harm our reputation and business" in "Risk Factors".

Except as disclosed in "Business — Legal Proceedings", during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material claims, investigations or legal proceedings (whether settled, pending or threatened) relating to any alleged material non-compliance with applicable laws and regulations with respect to cybersecurity, data privacy and personal data protection. With respect to the matters disclosed in "Business — Legal Proceedings", to the best of our knowledge, our practices are not materially non-compliant with applicable laws and regulations relating to data privacy and cybersecurity.

INTELLECTUAL PROPERTY

We regard our trademarks, copyrights, domain names, know-how, proprietary technologies, and other intellectual property as critical to our success. We maintained 2,138 trademark registrations, and had 916 registered domain names worldwide, including *www.shein.com*, as of 31 March 2026. We also have applied for the registration of 598 trademarks pending registration and we have copyright protection for our proprietary designs and photographs.

In addition to efforts to protect our own intellectual property, we have also adopted policies and procedures to prevent infringing upon the intellectual property rights of others. We educate our employees, designers and suppliers on intellectual property integrity, including by sharing guidance materials and holding training sessions. Before new SHEIN-branded and SHEIN Xcelerator products are posted on our mobile apps and website, we review them using a multi-layer IP review process that includes the use of image recognition solutions and manual review to check the potential new products against trademark databases from the US Patent and Trademark Office and World Intellectual Property Organization. Our suppliers are required to certify that the products they supply to us do not infringe on the intellectual property rights of others, and we may ask them to provide intellectual property registrations or other documentary evidence of ownership or originality. We also provide an online IP complaint portal where rights holders can submit takedown notices for alleged infringement of trademark, copyright, patent or design rights. Our policies mandate the immediate removal of infringing items. We take disciplinary action against suppliers that are found to have provided us with infringing products, including listing restrictions, financial penalties and termination.

We cannot assure you these efforts are sufficient to protect our intellectual property or to mitigate claims of intellectual property infringement. For more information, see "D. Risks Related to Data Security, IP and Technology — Intellectual Property and Technology Infrastructure — We are from time to time subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business operations" and "— Intellectual Property and Technology Infrastructure — We may not be able to prevent others from unauthorised use of our intellectual property, which could harm our business and competitive position" in "Risk Factors".

COMPETITION

The fashion industry is highly competitive. We primarily compete with global fashion brands and, to a lesser extent, e-commerce platforms with fashion offerings. We believe that we are positioned favourably against those competitors based on our value propositions that drive strong customer satisfaction and engagement, our unique LATR operating model underpinned by our end-to-end intelligent supply chain and agile global fulfilment network, thriving network of partners, and founder-led team and enduring culture driving innovation and growth.

EMPLOYEES

As of 31 December 2023, 2024 and 2025 and 31 March 2026, we had 16,519, 18,169, 18,389 and 17,751 employees, respectively. As of 31 March 2026, 82.0% of our employees were located in Asia and Oceania (including 79.3% located in the Chinese mainland), 12.7% were located in the Americas and 5.3% were located in Europe and the Middle East. The following table sets forth the total number of our employees by function as of 31 March 2026:

Function	Total Number of Employees	Percentage
Sales and Marketing	1,349	7.6%
Merchandising	4,321	24.3%
Fulfilment	6,454	36.4%
Research and Development	4,456	25.1%
General and Administrative	1,171	6.6%
Total	**17,751**	**100.0%**

Our success depends on our ability to attract, retain, and motivate qualified employees. We give our employees around the world opportunities for skills development and career growth while respecting their diverse cultures, abilities and lifestyles. We help our employees identify and achieve career goals, and we host team-building events and volunteer activities that allow them to give back to their communities. We offer employees competitive salaries, performance-based cash bonuses and equity-based incentives, comprehensive training and development programmes, and other fringe benefits and incentives.

We have adopted a Code of Ethics outlining employee requirements, rights and obligations. Every employee undergoes training on this code and agrees to be bound by its requirements throughout their employment with us. We prohibit discrimination, harassment, bullying, retaliation, and conflicts of interest and promote a safe and healthy work environment.

We believe that we maintain a good working relationship with our employees, and we have not experienced any material labour disputes, strikes or work stoppages.

PROPERTIES AND FACILITIES

We have leased offices and warehouses across the world. As of 30 June 2026, we leased an aggregate of approximately 0.2 million square meters for office space and an aggregate of approximately 6.0 million square meters for regional distribution warehouses. We had 37, 6, 18 and 11 warehouses in China, the United States, Europe and elsewhere, respectively, as of 30 June 2026. The table below sets out the location, square footage and lease expiry dates of our warehouses as of 30 June 2026:

Location	Leased Gross Floor Area (m^2)	Lease Expiry Dates
China	4,087,038	Various dates between August 2026 and April 2034
United States . . .	408,777	Various dates between December 2031 and December 2034
Europe.	1,018,481	Various dates between August 2026 and February 2033
Other	527,688	Various dates between December 2026 and February 2038
Total	**6,041,984**	

INSURANCE

We maintain certain insurance policies to safeguard against risks and unexpected events. During the Track Record Period, we have subscribed to various forms of insurance relating to our business operations, including (i) cyber insurance covering liabilities and losses associated with cybersecurity incidents and business interruptions resulting therefrom, (ii) commercial general liability insurance covering personal injury and property damage to third parties resulting from accidents (including product liabilities) during our business operations, (iii) warehouse property insurance covering losses of goods and equipment stored in our warehouses caused by fire, theft, natural disasters and other unexpected events, (iv) warehouse liability insurance covering personal injury or property damage to third parties associated with our warehouse operations, (v) employer's liability insurance covering liabilities and losses associated with claims against our directors, senior management and other officers resulting from our employees' work-related injuries, (vi) social insurance and commercial insurance for our employees in accordance with local laws and regulations, and (vii) directors and officers liability insurance. See "G. Risks Related to Our Financial Performance, Capital Resources and Internal Control — Results of Operations, Seasonality and Internal Controls — We have limited insurance coverage, which could expose us to significant costs" in "Risk Factors".

Our contract manufacturers bear liability for the quality of the products they produce and are required to ensure compliance with applicable quality standards, production standards, hygiene standards, and inspection and quarantine standards in the relevant countries or regions. Our contract manufacturers assume liability for their products, including all incidents (such as personal injury, issues relating to safety and health, explosion and fire) resulting from the quality of their products, product return and exchange, compensation paid to customers, resulting losses incurred on us including due to closure or suspension of business. Our contract manufacturers are also required to ensure that their products do not infringe upon any intellectual property rights or trademarks and do not contain improper content and they assume full responsibility and undertake to indemnify us for any breach thereof.

Merchants are generally responsible for the products they distribute on our marketplace. They are required to comply with all applicable laws pertaining to intellectual property, product safety and labelling, marketing and consumer protection. Merchants are generally obligated to indemnify us for (i) any breach of applicable laws, (ii) their products (including the offer, sale, refund, cancellation, return, or adjustments thereof, (iii) any trademark, content or information they provide to us, (iv) any actual or alleged infringement or misappropriation of any intellectual property rights by any of their products or any content or information they provide, (v) any personal injury, death, or property damage arising out of or related to their products and product information; and (vi) their disputes with any users of our marketplace. Merchants also release us from claims and damages in connection with any dispute that may arise between them and any other user of our marketplace. We, on the other hand, will defend, indemnify, and hold harmless merchants and their representatives against any third-party claims arising from our non-compliance with applicable laws or allegations that the software used by us to operate any website infringes or misappropriates that third party's intellectual property rights.

We generally engage logistics service providers on their standard terms. These terms typically provide that the liabilities of the logistics service providers are capped at a certain amount per item or per kilogram unless we specifically declare the value of an item and subscribe for additional insurance from the logistics service providers or third party insurer. The liabilities of logistics service providers are also typically limited to direct losses. Losses incurred as a result of (i) force majeure events, (ii) the transportation of dangerous goods, (iii) the special condition of or special requirement for the care of the delivery items, (iv) our failure to provide true and accurate information relating to the delivery items or, where applicable, to make a true and accurate declaration to the customs and other competent authorities relating thereto, are typically excluded, and we may be required to indemnify the logistics service providers under these circumstances.

We believe our insurance coverage is sufficient for the needs of our operations and appropriate for our current risk profile, and that our insurance coverage is customary for companies of comparable size in our industry.

LEGAL PROCEEDINGS

From time to time, we are involved in claims, investigations, litigation, legal or administrative disputes and proceedings that arise in the ordinary course of business, including, among other things, employment matters, copyright, trademark and other intellectual property disputes, consumer protection matters, product compliance, ESG-related disclosures, import of goods, and data security matters. These proceedings may distract our management's attention and consume a significant part of our time and other resources. In addition, even if we ultimately succeed in a given proceeding, there may be negative publicity created in the course of or surrounding that proceeding, which may materially and adversely affect our reputation. In the case of an adverse outcome, we may be required to pay significant monetary damages, incur significant costs, assume significant liabilities or modify, suspend or terminate parts of our operations. As a result, our business, financial condition, and results of operations may be materially and adversely affected.

Set out below are certain legal and regulatory proceedings in which we were previously involved and which to our knowledge have been resolved as of the date of this document:

- In 2018, we became aware that certain personally identifiable information of our customers, including names, login credentials and credit card information, was stolen during a concerted criminal cyberattack on our computer network, which was subsequently investigated by the Office of the Attorney General of the State of New York. In October 2022, we reached a settlement agreement with the Office of the Attorney General, pursuant to which we paid US$1.9 million in settlement payment in the same month and have maintained a comprehensive information security programme that includes a series of cybersecurity measures to protect consumer information.

- In 2025, we were fined by DGCCRF, the French authority which oversees both competition and consumer protection in France, in relation to our historical pricing display and environmental claims, and this matter has since been resolved through a settlement involving a fine of EUR 40 million completed in July 2025.

- In November 2025, French authorities commenced proceedings against us regarding the sale of certain inappropriate products by third-party merchants on our marketplace. We immediately removed the relevant products and banned the merchants involved in this incident from our marketplace, and cooperated with the authorities in the investigation. In December 2025, a court dismissed the French government's request to suspend our French website for three months, while ordering no sale of certain adult products on our French website until a substantive age-verification mechanism is implemented. In March 2026, the appellate court rendered its decision upholding the original judgment, dismissing all of the French government's claims.

Certain other legal and regulatory proceedings remain ongoing as of the date of this document, including the following proceedings:

- In August 2023, France's data privacy regulator, CNIL, carried out an inspection of our website. Subsequently, in September 2025, CNIL issued a fine of EUR 150 million against us in connection with our practices for obtaining user consent and cookie practices, though CNIL conceded that all alleged non-compliance had been remediated prior to the fine. We have appealed this decision to the Conseil d'État, France's supreme administrative court. The appeal remains pending and we are also evaluating other options that we may pursue.

- In December 2023, Temu filed a complaint in the United States District Court for the District of Columbia, accusing us of violating US antitrust laws through unfair competitive practices. In September 2025, our motion to dismiss was partially granted. We continue to vigorously defend ourselves against these allegations. In addition, we are involved in IP infringement lawsuits against Temu and their competition counterclaim against us in the UK, which also remain unresolved.

- In February 2026, the European Commission opened a formal investigation against us under the EU Digital Services Act in relation to (i) the systems we have in place to limit the sale of illegal products in the EU, (ii) the risks linked to the design of our service, as well as the systems we have in place to mitigate such risks, and (iii) the transparency of our recommender systems. The opening of the formal investigation does not prejudge the outcome. We are cooperating with the European Commission in this investigation, which remains at an early stage.

- In April 2026, the Irish Data Protection Commission (the "**DPC**") commenced a statutory inquiry into our transfers of certain EU personal data to China, following a complaint filed by a privacy advocacy group. We are currently cooperating with this investigation and intend to vigorously defend our position that our transfers of EU personal data are compliant with the GDPR. This investigation is currently at an early stage. We remain committed to responsible data protection practices and are constantly enhancing our processes to better safeguard customers' data and improve data compliance programmes.

- In June 2026, DGCCRF imposed administrative fines totalling approximately EUR 22.5 million on two of our subsidiaries in connection with deficiencies identified in our order confirmation practices, the exercise of consumer withdrawal rights, product traceability disclosures and environmental information disclosures relating to synthetic textile products. We disagree with this decision, believe the fines to be manifestly disproportionate, and are in the process of contesting both sanctions.

- The U.S. Federal Trade Commission (the "**FTC**") has been conducting an investigation into our U.S. business operations, and we are actively cooperating with the FTC in connection with such investigation. Although it is possible that we may reach a settlement with the FTC in connection with the investigation, we currently cannot predict the probable outcome of the investigation and the timing of such outcome, and we cannot rule out that such outcome could occur in the near term. The outcome of the investigation, whether in settlement or otherwise, may require us to make significant monetary payments that could have a material adverse effect on our financial condition and results of operations.

As of 31 March 2026, we had recorded aggregate provisions of approximately US$80.0 million in respect of the ongoing proceedings described above. See Appendix I to this document for more details. The amounts of any provisions we record in connection with any claims, litigation, disputes, proceedings and investigations are inherently subject to substantial uncertainties. Accordingly, the final amounts that we may ultimately be required to pay, if any, could differ materially, either higher or lower, from the provisions recorded.

Based on currently available information, we do not believe that the ultimate outcome of any unresolved matters, individually or in the aggregate, is reasonably likely to have a material adverse effect on the Group's financial position, results of operations, or cash flows. The legal proceedings in which we are currently involved may increase the risks of negative publicity and reputational damage, potentially eroding stakeholder trust, diminishing customer loyalty, and resulting in the loss of business opportunities. See "I. General Regulatory and Litigation Risks — We are from time to time party to litigation and other legal or administrative disputes, proceedings and investigations that may require us to expend significant resources and subject us to penalties, reputational damage or other negative consequences" in "Risk Factors".

LICENSES, PERMITS AND APPROVALS

We are required to maintain or renew the permits, licenses and approvals material for our operations. During the Track Record Period and up to the Latest Practicable Date, we had obtained all necessary permits, licenses and approvals from the competent government departments and regulatory authorities that are material for our business operations in the jurisdictions where we operate. The following table sets forth our key licenses, permits and approvals. As of the Latest Practicable Date, the following licenses, permits and approvals are all valid, and we are not aware of any legal impediments in renewing them.

Holder	Type of permit, license or approval	Expiry Date
Guangzhou Yuntong Foreign Trade Comprehensive Services Co., Ltd	Registration of a Consignee or Consignor of Imported or Exported Goods	2099

Holder	Type of permit, license or approval	Expiry Date
Guangzhou Shein Supply Chain Management Co., Ltd	Registration of a Consignee or Consignor of Imported or Exported Goods	2099
Guangzhou Shein International Import & Export Co., Ltd. . . .	Registration of a Consignee or Consignor of Imported or Exported Goods	2099
Nanjing Xiyin E-Commerce Co., Ltd	Registration of a Consignee or Consignor of Imported or Exported Goods	2099

COMPLIANCE

In our Directors' view, we have complied with applicable laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date, and we have not been subject to any litigation, arbitration, administrative proceedings pending or threatened or any instances of non-compliance that led to fines, enforcement actions or other penalties, which individually or in aggregate, would have a material adverse impact on our business operations and financial performance.

RISK MANAGEMENT AND INTERNAL CONTROL

We have adopted and implemented various policies and procedures to ensure rigorous risk management and internal control. These policies and procedures cover various aspects of our business operations, such as financial reporting, systems of disclosure and reporting, internal control, human resources and regulatory risk management. We are dedicated to continually improving these policies and procedures. In order to monitor the continuous implementation of post-[**REDACTED**] risk management policies and corporate governance measures, we have taken or will continue to take the following risk management measures:

- Our board of directors is responsible for monitoring our internal control system, assessing its effectiveness and maintaining suitable and effective risk tolerance levels.

- The audit committee of our board of directors and our audit team assists our management with developing risk management policies and reviewing major risk management matters, providing guidance to relevant departments on risk management measures, and overseeing the implementation of risk management policies.

- Our financial reporting, legal and compliance, human resources and other relevant teams are responsible for implementing our risk management policies and implementing day-to-day risk management initiatives.

- When necessary, we engage external professional advisors to work with our internal audit and legal teams to conduct regular reviews to ensure the validity of all registrations, licenses, permits, filings and approvals.

TRANSFER PRICING

We conduct intercompany transactions between Roadget Business Pte. Ltd. and its major subsidiaries incorporated in various jurisdictions, including China, Singapore, the United States, Ireland and the United Arab Emirates. Roadget Business Pte. Ltd. primarily is responsible for procurement, online operations, marketing, software development and investment holding, while the regional distributors primarily engage in procurement, marketing, online sales and other services to customers in their respective markets.

We have engaged external tax advisers to undertake ongoing reviews of our transfer pricing arrangements to ensure continued compliance with the arm's length principles under the OECD Transfer Pricing Guidelines. Based on the reviews conducted by the external tax advisers, our Directors believe that our transfer pricing arrangements are in compliance with those arm's length principles and did not identify any material inconsistencies with those principles. We also prepare and maintain annual transfer pricing documentation in accordance with applicable local regulatory requirements and OECD standards, thereby substantiating the arm's length nature of our significant related party transactions. We closely monitor our transfer pricing practices and intend to continue engaging external advisors as necessary to ensure ongoing compliance in all relevant jurisdictions.