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C.banner International Holdings Limited **千 百 度 國 際 控 股 有 限 公 司**

(Incorporated in Bermuda with limited liability)

(Stock Code: 1028)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of C.banner International Holdings Limited (the “**Company**” or “**C.banner**”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”) together with comparative figures for the corresponding period in 2024, are as follows:

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue	640,165	720,643
Gross profit	381,867	419,946
(Loss)/profit before income tax	(134,713)	68,897
Income tax expenses	(7,087)	(16,303)
(Loss)/profit for the period	(141,800)	52,594
(Loss)/profit for the period attributable to:		
Owners of the Company	(141,978)	52,414
Non-controlling interests	178	180
	(141,800)	52,594
(Loss)/earnings per share		
– Basic (<i>RMB cents</i>)	(6.84)	2.52
– Diluted (<i>RMB cents</i>)	(6.84)	2.52

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
	<i>Notes</i>	2025	2024
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	5	640,165	720,643
Cost of sales		<u>(258,298)</u>	<u>(300,697)</u>
Gross profit		381,867	419,946
Other income and other gains and losses	6	(124,452)	55,549
Distribution and selling expenses		(330,159)	(346,574)
Administrative and general expenses		(61,530)	(59,512)
Finance costs	7	<u>(439)</u>	<u>(512)</u>
(Loss)/profit before income tax		(134,713)	68,897
Income tax expenses	8	<u>(7,087)</u>	<u>(16,303)</u>
(Loss)/profit for the period		<u>(141,800)</u>	<u>52,594</u>
Other comprehensive expenses:			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value changes of equity investments at fair value through other comprehensive income		<u>(7,579)</u>	<u>(8,377)</u>
Other comprehensive expenses for the period		<u>(7,579)</u>	<u>(8,377)</u>
Total comprehensive (expenses)/ income for the period		<u><u>(149,379)</u></u>	<u><u>44,217</u></u>

	<i>Notes</i>	Six months ended 30 June	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
		(unaudited)	(unaudited)
(Loss)/profit for the period attributable to:			
Owners of the Company		(141,978)	52,414
Non-controlling interests		178	180
		(141,800)	52,594
Total comprehensive (expenses)/income attributable to:			
Owners of the Company		(149,557)	44,037
Non-controlling interests		178	180
		(149,379)	44,217
(Loss)/earnings per share			
	<i>10</i>		
– Basic (<i>RMB cents</i>)		(6.84)	2.52
– Diluted (<i>RMB cents</i>)		(6.84)	2.52

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	<i>Notes</i>	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Non-current assets			
Property, plant and equipment		178,684	181,449
Right-of-use assets		65,957	73,638
Other intangible assets		3,338	5,644
Goodwill		5,725	5,725
Equity investments at fair value through other comprehensive income (“FVTOCI”)		6,754	18,300
Deferred tax assets		30,967	31,226
Long-term deposits, other receivables and prepayments	<i>12</i>	76,667	16,225
		368,092	332,207
Current assets			
Inventories		304,922	302,587
Trade receivables	<i>11</i>	142,414	159,057
Other receivables and prepayments	<i>12</i>	33,420	257,264
Current tax assets		322	202
Bank balances and cash		483,405	429,748
		964,483	1,148,858
Current liabilities			
Trade payables	<i>13</i>	122,424	106,443
Other payables		96,496	107,697
Contract liabilities		32,628	36,065
Lease liabilities		8,825	12,221
Current tax liabilities		31,329	26,518
		291,702	288,944
Net current assets		672,781	859,914
Total assets less current liabilities		1,040,873	1,192,121

	<i>Notes</i>	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Non-current liabilities			
Lease liabilities		<u>5,283</u>	<u>7,152</u>
Net assets		<u>1,035,590</u>	<u>1,184,969</u>
Capital and reserves			
Share capital		209,097	209,097
Reserves		<u>817,032</u>	<u>966,589</u>
Total equity attributable to owners of the Company		1,026,129	1,175,686
Non-controlling interests		<u>9,461</u>	<u>9,283</u>
Total equity		<u>1,035,590</u>	<u>1,184,969</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Equity attributable to owners of the Company								
	Share capital	Share premium	PRC statutory reserve	FVTOCI reserve	Contributed Surplus	Retained profits	Sub-total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024 (audited)	209,097	646,042	180,653	1,556	–	345,285	1,382,633	9,237	1,391,870
Total comprehensive (expenses)/ income for the period (unaudited)	–	–	–	(8,377)	–	52,414	44,037	180	44,217
Share premium cancellation (unaudited) (Note)	–	(646,042)	–	–	646,042	–	–	–	–
Special dividend (unaudited) (Note 9)	–	–	–	–	(65,056)	(185,948)	(251,004)	–	(251,004)
Transfer (unaudited)	–	–	4,432	–	–	(4,432)	–	–	–
At 30 June 2024 (unaudited)	<u>209,097</u>	<u>–</u>	<u>185,085</u>	<u>(6,821)</u>	<u>580,986</u>	<u>207,319</u>	<u>1,175,666</u>	<u>9,417</u>	<u>1,185,083</u>
Balance at 1 January 2025 (audited)	209,097	–	188,255	(8,051)	589,867	196,518	1,175,686	9,283	1,184,969
Total comprehensive (expenses)/ income for the period (unaudited)	–	–	–	(7,579)	–	(141,978)	(149,557)	178	(149,379)
Transfer (unaudited)	–	–	2,218	–	–	(2,218)	–	–	–
At 30 June 2025 (unaudited)	<u>209,097</u>	<u>–</u>	<u>190,473</u>	<u>(15,630)</u>	<u>589,867</u>	<u>52,322</u>	<u>1,026,129</u>	<u>9,461</u>	<u>1,035,590</u>

Note:

The cancellation of share premium of RMB646,042,000 was approved at the Company's special general meeting on 27 June 2024. As a result, the share premium of RMB646,042,000 was transferred to contributed surplus.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. GENERAL INFORMATION

C.banner International Holdings Limited (the “**Company**”) was incorporated in Bermuda under the Companies Act as an exempted company with limited liability on 26 April 2002. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda. The address of its principal place of business is Suite 1503, Level 15, Admiralty Centre Tower 1, 18 Harcourt Road, Admiralty, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. Its subsidiaries are principally engaged in manufacture and sale of branded fashion footwear and retail of toys. The Company and its subsidiaries are collectively referred to as the “**Group**”.

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is the functional currency of the Company.

2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standards (“**IAS**”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“**IASB**”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

These condensed consolidated financial statements should be read in conjunction with the 2024 annual financial statements of the Group. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2024 of the Group.

3. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current period, the Group has adopted all the new and revised IFRS Accounting Standards issued by the IASB that are relevant to its operations and effective for its accounting period beginning on 1 January 2025. IFRS Accounting Standards comprise International Financial Reporting Standards (“**IFRS**”); International Accounting Standards (“**IAS**”); and Interpretations. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRS Accounting Standards but is not yet in a position to state whether these new and revised IFRS Accounting Standards would have a material impact on its results of operations and financial position.

4. OPERATING SEGMENT INFORMATION

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Segment revenue		
Retail and wholesale of shoes		
– external sales	566,406	612,389
– inter-segment sales	–	10
Contract manufacturing of shoes		
– external sales	28,989	72,398
Retail of toys		
– external sales	44,770	35,856
	<hr/>	<hr/>
Segment revenue	640,165	720,653
Eliminations	–	(10)
	<hr/>	<hr/>
Group revenue	640,165	720,643
	<hr/>	<hr/>
Segment results		
Retail and wholesale of shoes	21,146	71,646
Contract manufacturing of shoes	(6,893)	(726)
Retail of toys	184	329
	<hr/>	<hr/>
	14,437	71,249
	<hr/>	<hr/>
Finance costs	(439)	(512)
Net foreign exchange gain/(loss)	339	(1,840)
Impairment provision in respect of trade debt (<i>Note 12</i>)	(149,050)	–
	<hr/>	<hr/>
(Loss)/profit before income tax	(134,713)	68,897
Income tax expenses	(7,087)	(16,303)
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(Loss)/profit for the period	(141,800)	52,594
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The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Segment assets		
Retail and wholesale of shoes	1,898,838	2,018,743
Contract manufacturing of shoes	75,773	108,880
Retail of toys	24,808	24,061
	<hr/>	<hr/>
Total segment assets	1,999,419	2,151,684
Eliminations	(704,887)	(720,345)
Unallocated	38,043	49,726
	<hr/>	<hr/>
Total consolidated assets	1,332,575	1,481,065
	<hr/> <hr/>	<hr/> <hr/>
Segment liabilities		
Retail and wholesale of shoes	262,612	279,653
Contract manufacturing of shoes	662,271	665,102
Retail of toys	46,072	45,509
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Total segment liabilities	970,955	990,264
Eliminations	(705,299)	(720,686)
Unallocated	31,329	26,518
	<hr/>	<hr/>
Total consolidated liabilities	296,985	296,096
	<hr/> <hr/>	<hr/> <hr/>

5. REVENUE

	Six months ended 30 June 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Retail and wholesale of shoes	566,406	612,389
Contract manufacturing of shoes	28,989	72,398
Retail of toys	44,770	35,856
	<hr/>	<hr/>
Total revenue	640,165	720,643
	<hr/> <hr/>	<hr/> <hr/>

Disaggregation of revenue from contracts with customers:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Geographical markets		
The People's Republic of China (the "PRC")	612,972	649,276
The United States of America	27,193	71,367
Total	<u>640,165</u>	<u>720,643</u>
Major products/service		
Retail and wholesale of branded fashion footwear	566,406	612,389
Contract manufacturing of footwear	28,989	72,398
Retail of toys	44,770	35,856
Total	<u>640,165</u>	<u>720,643</u>
Timing of revenue recognition		
At a point in time	<u>640,165</u>	<u>720,643</u>

6. OTHER INCOME AND OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Other income		
Government grants	7,697	33,383
Interest income on bank deposits	3,008	6,155
Interest income of trade debts (<i>Note 12</i>)	–	3,940
Gain on disposal of property, plant and equipment	9	21
Royalties fee income	8,111	10,169
Others	6,779	3,834
	<u>25,604</u>	<u>57,502</u>
Other gains and losses		
Net foreign exchange gain/(loss)	339	(1,840)
Impairment provision in respect of trade receivables	(1,345)	(113)
Impairment provision in respect of trade debt (<i>Note 12</i>)	(149,050)	–
	<u>(150,056)</u>	<u>(1,953)</u>
Total other income and other gains and losses	<u>(124,452)</u>	<u>55,549</u>

7. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Leases interests	439	512

8. INCOME TAX EXPENSES

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Current tax – PRC Enterprise Income Tax Provision for the period	4,673	11,793
Current tax – PRC withholding tax Under-provision in prior periods	2,156	–
Deferred tax	258	4,510
Income tax expenses	7,087	16,303

The Group is not subject to taxation in Bermuda and the British Virgin Islands (“BVI”).

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit in Hong Kong during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

PRC Enterprise Income Tax has been provided at a rate of 25% on the estimated assessable profit during the six months ended 30 June 2025 (six months ended 30 June 2024 : 25%).

Under the relevant tax law and implementation regulations in the PRC, withholding income tax is applicable to dividends payable to investors that are “non-PRC tax resident enterprises”, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends have their sources within the PRC. Under such circumstances, dividends distributed from the PRC subsidiaries to non-PRC tax resident group entities in Hong Kong shall be subject to the withholding tax at 5% or 10%. Dividend distributed from a PRC subsidiary to a non-PRC tax resident group entity in the BVI shall be subject to the withholding tax at 10%.

9. DIVIDENDS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Special dividend approved of HK\$Nil (2024: HK\$0.13) per ordinary share	—	251,004

The directors of the Company did not recommend the payment of interim dividend for the six months ended 30 June 2025 and 2024.

The special dividend in respect of the six months ended 30 June 2024 of HK\$0.13 (equivalent to approximately RMB0.12) per share total of HK\$270,010,000 (equivalent to approximately RMB251,004,000) approved at the Company's special general meeting on 27 June 2024, all were paid out on 22 July 2024.

10. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately RMB141,978,000 (profit for the six months ended 30 June 2024: approximately RMB52,414,000) and the weighted average number of ordinary shares of 2,077,000,000 (six months ended 30 June 2024: 2,077,000,000) in issue during the period.

Diluted (loss)/earnings per share

There was no dilutive potential ordinary share outstanding for both periods. Accordingly, the diluted (loss)/earnings per share is same as basic (loss)/earnings per share for both periods.

11. TRADE RECEIVABLES

The Group's trading terms with other customers are mainly on credit. The credit terms generally range from 30 to 90 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors of the Company. The Group would also allow longer credit period for certain customers with long-term relationship.

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Trade receivables	144,133	159,431
Provision for loss allowance	(1,719)	(374)
	<u>142,414</u>	<u>159,057</u>

The aging analysis of trade receivables, based on the revenue recognition date, and net of allowance, is as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
0 to 60 days	129,235	138,020
61 to 180 days	10,418	17,094
181 days to 1 year	321	2,411
Over 1 year	2,440	1,532
	142,414	159,057

12. OTHER RECEIVABLES AND PREPAYMENTS

	<i>Note</i>	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Non-current assets			
Long-term deposits		13,754	14,310
Prepayments		1,761	1,915
Trade debts due from a former subsidiary	(i)	61,152	–
		76,667	16,225
Current assets			
Prepayments		12,576	12,991
Trade debts due from a former subsidiary	(i)	4,000	214,207
Value-added tax receivable		1,233	10,725
Interest receivables		360	189
Others		15,251	19,152
		33,420	257,264
Total		110,087	273,489

Note:

- (i) On 18 June 2020, the Group entered into an obligations and debts framework agreement (“**Obligations and Debts Framework Agreement**”) with Mayflower (Nanjing) Enterprise Limited (“**Nanjing Mayflower**”), a former subsidiary of the Group.

On 31 July 2020, the Group disposed 100% equity interest in Nanjing Mayflower. Nanjing Mayflower owed various members of the Group the trade debts (“**Trade Debts**”), being certain intra-group debts which had arisen in the ordinary course of business over the years.

Pursuant to the Obligations and Debts Framework Agreement, Nanjing Mayflower shall settle the Trade Debts during the two years from 31 May 2020 (the “**Trade Debts Settlement Period**”).

The Trade Debts will be settled during the Trade Debts Settlement Period in the following manner:

- (a) Nanjing Mayflower would lease certain of its immovable property to the Group to offset part of the Trade Debts with the rents payable;
- (b) Should the Trade Debts not being fully settled in the above manner within the two-year period, the Nanjing Mayflower shall pay a sum equivalent to the remaining Trade Debts to the Group upon the expiry of the two-year period.

On 10 March 2022, the Group signed an extension agreement with Nanjing Mayflower, pursuant to which the repayment date of the Trade Debts is extended to 31 May 2023.

On 10 February 2023, the Group further signed an extension agreement with Nanjing Mayflower, pursuant to which the repayment date of the Trade Debts is extended to 31 May 2024.

On 11 June 2024, the Company issued an announcement in relation to the default of repayment for trade debt due from Nanjing Mayflower, pursuant to which Nanjing Mayflower failed to repay the remaining balance of the Trade Debts as at 31 May 2024 and has defaulted under the Obligations and Debts Framework Agreement.

As at 30 June 2025, the Trade Debts due from the Nanjing Mayflower with carrying amount of RMB65,152,000 (31 December 2024: RMB214,207,000) are secured by the Nanjing Mayflower’s land use rights and buildings as collateral with a fair value of approximately RMB153,600,000 (31 December 2024: approximately RMB153,600,000) in total.

Subsequent to 30 June 2025 and on 14 July 2025, the Group and Nanjing Mayflower reached a civil mediation settlement through the civil mediation proceedings chaired by the People’s Court of Nanjing Qinhuai District (the “**Court**”), and the Court has issued a Civil Mediation Order (the “**Civil Mediation Order**”). Regarding to the Civil Mediation Order, it was agreed by the Group and Nanjing Mayflower that the amount of RMB65,152,000 would be fully settled for periodic installment repayments from October 2025 to March 2045. If Nanjing Mayflower fails to make any payment on time or in full, the Group reserves the right to apply for compulsory enforcement of the remaining unpaid balance through the Court.

Taking into account the settlement terms under the Civil Mediation Order, the total impairment loss attributable to the settlement with Nanjing Mayflower will amount to approximately RMB149,050,000 was recognised during the six months ended 30 June 2025.

13. TRADE PAYABLES

	30 June 2025 <i>RMB'000</i> (unaudited)	31 December 2024 <i>RMB'000</i> (audited)
Trade payables	122,424	106,443

The aging analysis of trade payables, based on the invoice date, is as follows:

	30 June 2025 <i>RMB'000</i> (unaudited)	31 December 2024 <i>RMB'000</i> (audited)
0 to 90 days	116,846	101,556
91 to 180 days	667	486
181 days to 1 year	726	225
Over 1 year	4,185	4,176
	122,424	106,443

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Looking back at the first half of 2025, the global situation remains complex and volatile. Geopolitical conflicts have intensified, trade protectionism is on the rise, and the momentum of global economic recovery is being hindered. The World Bank lowered its forecast for global economic growth in 2025 from 2.7% in January this year to 2.3%, mainly because US President Trump has imposed extensive tariff measures. These actions not only exacerbated international tensions but also dragged down the development of economic prospects, triggering trade tensions and causing policy uncertainty.

The World Bank predicts that China's economic prospects will slow down to 4.5% in 2025 and further to 4.0% in 2026. This reflects the impact of global trade restrictions and uncertainties on China's exports, manufacturing investments and employment. Despite the challenges, China has strengthened macroeconomic regulation and taken steps to restore market confidence in response to the current situation. China is still expected to respond to the economic slowdown and support steady economic growth through proactive fiscal policies and targeted structural reforms.

The National Bureau of Statistics announced that China's GDP in the first half of 2025 reached RMB66,053.6 billion, representing a year-on-year increase of 5.3%, and pointed out that the national economy has withstood the pressure and overcome difficulties. The overall economic operation has been stable and improving. Production and demand have been growing steadily, employment situation has been generally stable, residents' incomes continue to increase, emerging economic momentum has been building and becoming more robust, high-quality development has made new progress, and the overall social situation remains stable. In general, the Chinese economy has recovered in adversity, showing an overall stable trend, with continuous structural optimization and improved quality.

China's consumer market has demonstrated a strong recovery trend. According to the National Bureau of Statistics, the total retail sales of consumer goods increased from RMB39.1 trillion in 2020 to RMB48.3 trillion in 2024, with an average annual growth of 5.5%. Sales are expected to surpass RMB50 trillion this year, while the online retail sales have ranked first in the world for 12 consecutive years. In addition, in June 2025, the total retail sales of consumer goods were RMB422.87 billion, representing a year-on-year increase of 4.8%. From January to June 2025, the total retail sales of consumer goods were RMB2,454.58 billion, representing a year-on-year increase of 5.0%. This series of data not only provides strong support for the recovery of China's economy, but also reveals that the market sales growth rate has rebounded and the sales situation of consumption upgrade products is good.

With the implementation of supportive policies and the introduction of more stimulus measures, China's consumption market is expected to rebound as the business environment improves. We believe that with the continued support of the central government, the fundamentals of China's long-term economic growth remained unchanged, and China's consumer market and economic performance will gradually recover. It is expected that the national policies will bolster market confidence and stimulate the economy to achieve more significant growth in the third and fourth quarters of 2025.

In order to alleviate the economic challenges in the first half of 2025 and improve the difficult business environment, C.banner International Holdings Limited remains steadfast in executing its strategic transformation, concentrating on core business enhancement and omnichannel experience optimization, as well as our ongoing operational refinement. In the face of the current global economic slowdown, the Company is fully prepared to confront the challenges. In the future, the Group will continue to focus on footwear as its core business, steadily enhancing its market competitiveness, and simultaneously optimizing its operation and management systems. Through the efficient implementation of the strategic measures, we will fully unlock the brand value, strengthen competitive advantages, ensure the sustainable expansion of our business, and seize opportunities in emerging markets in a timely manner. With its deep industry accumulation, the Company always adheres to the basic principle of prudent operation when laying out its long-term growth path.

Operational Performance

In recent years, we have always implemented a strategic policy centered on optimization, focusing on improving channel efficiency, building an omni-channel retail ecosystem, improving the business operation system, and creating a more accurate online marketing channel. In the first half of this year, the Group adjusted its strategic direction in a timely manner, optimizing its store network and upgrading its inventory control to achieve stable operations while ensuring a stable market position.

For the six months ended 30 June 2025, the Group's total revenue amounted to RMB640.2 million, decreased by 11.2% as compared to the same period of last year. (2024: RMB720.6 million). Loss for the period amounted to RMB141.8 million, as compared with a profit attributable to Shareholders of RMB52.4 million for the six months ended 30 June 2024. Such net loss is mainly attributable to the provision for impairment loss in respect of the trade debts owed by Mayflower (Nanjing) Enterprises Limited ("**Nanjing Mayflower**"); and the decrease in revenue from the Group's fashion footwear business due to the impact of tariffs and weak domestic consumer demand.

In the first half of the year, the Company's total number of retail outlets slightly decreased. As at the end of June 2025, the Company's total number of retail outlets was 968, representing a net decrease of 47 outlets since the beginning of the year. Among them, the number of proprietary shoe retail outlets was 790, representing a net decrease of 44 outlets since the beginning of the year, while the number of third-party retail outlets was 178, representing a net decrease of 3 outlets since the beginning of the year.

The following table shows the Group's geographic distribution of shoes outlets:

Distribution Regions	C.banner		EBLAN		MIO		Natarsun		Total
	Proprietary outlets	Third-party outlets	Proprietary outlets	Third-party outlets	Proprietary outlets	Third-party outlets	Proprietary outlets	Third-party outlets	
Northeast region	74	13	16	–	11	12	1	–	127
Northern China	87	69	13	–	12	26	5	–	212
Eastern China	159	27	33	–	53	3	31	1	307
Shanghai area	63	–	–	–	9	–	9	–	81
Southern China	85	6	–	–	10	–	1	–	102
Western China	96	16	2	1	17	4	3	–	139
Total	564	131	64	1	112	45	50	1	968

Notes:

- (1) Northeast region includes Jilin Province, Liaoning Province, Heilongjiang Province and Hulunbuir City in Inner Mongolia Autonomous Region;
- (2) Northern China includes Beijing, Tianjin, Inner Mongolia Autonomous Region (except Hulunbuir City), Hebei Province, Shanxi Province, Henan Province and Shandong Province;
- (3) Eastern China includes Jiangsu Province, Anhui Province and Hubei Province;
- (4) Shanghai area includes Shanghai City and Zhejiang Province;
- (5) Southern China includes Hunan Province, Jiangxi Province, Fujian Province, Guangdong Province, Hainan Province and Guangxi Autonomous Region; and
- (6) Western China includes Shaanxi Province, Qinghai Province, Gansu Province, Xinjiang Autonomous Region and Ningxia Autonomous Region, Sichuan Province, Guizhou Province, Yunnan Province, Chongqing City and Tibet Autonomous Region.

Continuous Optimization of Retail Network and Enhancement of Single-Store Operational Efficiency

During the Reporting Period, the Group continued to implement its core strategy of “optimizing channel structure and improving single-store performance”, further strengthening the operational efficiency of its offline retail network. Our offline sales ecosystem primarily comprises of three key channels: outlet stores, shopping malls, and department stores. Through the dynamic store layout adjustments, the closure of underperforming stores, and the optimized resource allocation, we ensured a steady improvement in the overall profitability.

Our offline sales strategy remained focusing on enhancing single-store performance. In the second half of the year, we will strategically close underperforming department stores while ensuring minimal impact on overall retail business to preserve market share. The number of outlets and shopping mall stores will remain basically stable, with selective openings and closures.

Declining overall customer traffic across the retail sector has put pressure on profitability at certain department stores. During the Reporting Period, we continued our strategy of “consolidation and transformation”, closing several underperforming stores while retaining high-efficiency stores in core commercial districts. Concurrently, we are committing ourselves to boosting single-store performance to sustain brand market coverage and profitability. This adjustment helps reduce operating costs and allows us to concentrate resources on channels with greater growth potential.

Single-store Efficiency Improvement and Inventory Optimization

The Group continued to strengthen refined single-store management, optimizing product mix, promotion strategies, and staffing through data analysis to drive same-store sales growth. At the same time, we further optimized inventory turnover, adopted an intelligent replenishment system, reduced unsalable inventory and improved capital utilization efficiency. In the future, we will continue to dynamically evaluate the layout of the retail network, seeking the optimal balance between cost control, brand exposure and market share, and ensuring the sustainable development of offline channels.

In the future, the Group will continue to improve the efficiency of individual stores, control inventory, and strive to increase the same-store sales growth of offline stores. As the Company continues to implement restructuring measures in its store network, we believe that the ongoing distribution network assessment will provide a comprehensive business operation view to achieve the optimal balance between cost control, revenue sources, brand awareness and market share.

Inventory Optimization and Supply Chain Efficiency Improvement

In the first half of 2025, the Group continued to optimize its inventory management strategy and strictly controlled the number of first orders to reduce the risk of inventory backlog. By deepening our data analysis capabilities, we accurately predicted market demand trends, reduced the first order purchase volume of non-best-selling items, and improved the ability to quickly replenish best-selling items, ensuring that inventory turnover efficiency remains at the industry-leading level.

In terms of supply chain management, the Group further strengthened its flexible supply chain system, established a closer coordination mechanism with core suppliers, and shortened production and replenishment cycles. By introducing intelligent forecasting systems and real-time sales data analysis, we can quickly identify best-selling styles and complete replenishment and hit the shelves within 7 to 15 days, greatly improving the efficiency of supply and demand matching. In addition, we continued to optimize the regional warehouse and distribution network to ensure that best-selling products in key cities can be quickly allocated to terminal stores to reduce out-of-stock losses and maximize sales opportunities.

In the future, the Group will continue to promote the digital upgrade of the supply chain, explore pre-sale and on-demand production models, further reduce inventory risks, while maintaining the ability to respond quickly to market trends and provide consumers with more accurate product supplies.

Diversified Brand Matrix and Full Category Layout Lead the Fashion Footwear Market

C.banner is a fashion brand with a cultural and romantic atmosphere. The Company currently has a number of self-owned brands, including “C.banner”, “EBLAN”, “MIO” and “Natursun”. These brands have their own characteristics, meeting the needs of different consumers and winning wide market recognition for the Company.

“C.banner” focuses on classic formal shoes (accounting for 30% to 40% of the product line), while vigorously expanding into fashion leisure and sports outdoor categories (accounting for 60% to 70%). “MIO” remains committed to improving quality and fashion trends, while enhancing market competitiveness and highlighting cost-effectiveness. “Natursun” emphasizes a brand philosophy that balances quality and comfort and will gradually increase the leisure and sports product line. “EBLAN” continues to pursue a brand identity centered on youthfulness, leisure and sports. We will rely on a strong research and development and supply chain systems to quickly respond to market trends and focus on creating popular products.

Increase the Proportion of Casual Shoes and Tap into the Opportunities for Hot-selling Products

In the second half of 2025, C.banner will continue to deepen the “hit style strategy” and inject more market-competitive design elements on the basis of maintaining the quality of core products. Our design philosophy always adheres to the four principles of “fashionable, simple, comfortable and dynamic”. By keenly capturing global trends, we create a product series that combines innovative designs with exceptional quality. From meticulous material selection to ingenious craftsmanship, every step reflects our brand mission of “caring for modern women and creating a high-quality life”. This concept has made C.banner the preferred footwear brand for Chinese urban elite women. Continuous technological innovation and process upgrades are the core driving forces for us to maintain the vitality of the brand.

To improve market responsiveness, we have established a closed-loop system of “fast design-trial production-feedback”. By introducing the artificial intelligence (“AI”) design platform, we have achieved three major breakthroughs: first, shortened the new product development cycle by 40%, greatly improving the conversion efficiency of trendy elements; second, leveraged big data analysis to predict the popular products, increasing the product sales by 35%; finally, implemented 3D digital sample technology, reducing the cost waste of traditional prototyping by 60%. This platform not only reconstructs our production process, but also provides accurate data support for product innovation.

We will focus on three strategic directions: first, establish a dual-track product matrix of “classic + limited edition” to preserve the brand identity and create market enthusiasm; second, deepen sustainable fashion practices, and plan to increase the usage of environmental friendly materials to 50% by the second half of 2025; third, expand scenario-based product lines and develop exclusive series for different life scenarios such as workplace commuting, light sports, social leisure, etc. Through these three strategic fulcrums, C.banner will continue to lead the quality revolution and fashion evolution of the Chinese women’s shoe market.

Continue to Focus on Comfort and Unique Design

The Chinese footwear market is undergoing a transformation from a “beauty first” to a “comfort first” consumer philosophy. Functional shoes have evolved from a niche category to a mainstream category, showing a strong growth trend. It is worth noting that the sports and leisure shoes has led the fashion trend for several years. They have not only become a necessity for trendsetters, celebrities and fashionistas, but also have been widely popular among urban people aged 18 to 45. This consumer group, composed of students and the new generation of professionals, emphasizes both individual expression and practical value, and is much more picky than ordinary consumers. In order to meet the advanced needs of this customer segment, we continue to invest in the research and development and innovation of sports and leisure shoes, striving to find the perfect balance between comfort technology and fashionable design.

C.banner continues to focus on comfortable and fashionable designs and has cultivated a loyal customer base. We focus on award-winning product designs based primarily on public aesthetics to improve product marketability. Our noiseless step shoe technology has been fully upgraded. As of now, C.banner noiseless step shoes have been upgraded to the fifth generation, and now the sales of our noiseless step shoes account for approximately 20% of our total sales.

The core patented technologies of noiseless step shoes include dual-density silent and noise reduction technology, newly upgraded soft elastic material heel and ankle care design, high-energy soft core pressure-reducing cotton, and newly upgraded massage bumps. By continuously upgrading noiseless step shoe’s technology and combining elegant design with oriental aesthetics, we strive to provide customers with a comfortable experience and create a refined and quiet lifestyle.

Committed to Building a Shoe Store for One Family

The Group launched the concept of “Shoe Store for the Whole Family”, offering customers a one-stop destination to purchase all the footwear they need at C.banner, including men’s shoes, women’s shoes, and children’s shoes. The selection features a wide variety of styles, such as snow boots, Birkenstocks, and dad shoes. We are committed to building a truly one-stop shoe store for the whole family, where every family member can find the perfect pair of shoes to suit their needs.

The Group places great emphasis on delivering an exceptional customer experience, blending unique and creative design elements with attentive services. Our stores are staffed with professional shopping guides who are ready to assist customers with style and product selection. If a customer feels uncertain while choosing shoes, a simple wave of the hand brings a guide promptly to offer personalized recommendations – making the shopping process faster, easier, and more enjoyable. In addition, the stores are designed in a European architectural style and include a children’s area. While adults are choosing shoes, children can play with Lego and build their own little world. The stores also launch a book exchange activity, so that children can enjoy the fun of learning knowledge while shopping. These elements reflect the C.banner brand’s dedication to creating a warm, engaging, and memorable retail journey for every customer.

Channel Decentralization and Refined Operations

C.banner is a well-known leading brand of fashionable women's shoes in China. It was founded in 1995 and this year is its 30th anniversary. The Group now has 968 offline stores in China, of which 790 are proprietary stores. We now have 6 retail regions and 24 branches across the country. The Group's main sales channels are department stores, outlet stores, shopping centers, and online e-commerce business. As a 30-year-old women's shoe brand, we are positioned as a mid-to-high-end women's shoe brand, serving China's mature office ladies, elegant mothers, trendy young people in small towns, professionals, teachers, doctors, civil servants, etc., all of which are our target customers.

Currently, the Group has two business lines. In terms of domestic sales, we operate direct sales business under 4 brands in mid- to high-end department stores and shopping malls in the first, second and third tier cities in China. We also have a small part of franchise business and distribution business. On the other hand, we have a production base in Dongguan, which engages in the contract manufacturing of shoes for export.

C.banner is a 30-year-old industry leading brand guided by the philosophy of "global management", which means that wherever consumers are, C.banner aims to be present. In the future, the Group will continue to prioritize expansion within the Chinese market, which is vast and full of untapped potential. With nearly 1,000 stores currently in operation, there remains significant room for growth. In the domestic market, we will deepen our presence through refined operations, focusing on strategic expansion, localized engagement, and enhanced customer experience to unlock further opportunities.

Improve Competitiveness and Achieve Sustainable Development

To better respond to the market demand, enhance competitiveness and achieve sustainable development, Xuzhou C.banner Shoes Co., Ltd. carried out industrial upgrade in 2023. In addition to established domestic sales products, it began to explore European and American orders. This dual-market strategy creates a mutually reinforcing dynamic. Domestic sales orders can provide rapid market feedback and help improve product quality and design, while foreign sales orders can introduce international standards and improve product quality and process level. The divergent production cycles of domestic and foreign sales orders make production more flexible, reduce production idle periods, make full use of resources, and enhance the Company's ability to resist risks.

Since its establishment, the Company has always adhered to the purpose of "customer first and pursuit of excellence". In response to evolving market dynamics, the Company is placing greater emphasis on product innovation, technology upgrades and efficiency improvement. The brand's focus on health, comfort, and quality has earned widespread recognition from customers, reinforcing its reputation for reliability and care. Looking ahead, the Company is steadily advancing toward a higher-end market positioning, aiming to deliver premium products that blend style, performance, and craftsmanship.

Increase Marketing Efforts on High-traffic Social Media Platforms

Despite the global economic fluctuations and changing consumer behavior, the rapid development of online shopping in mainland China, coupled with the rise of the consumption power of the younger generation, has also promoted the vigorous development of the e-commerce market. New technologies such as big data and AI have given rise to new consumption scenarios. New consumption models such as live streaming and instant delivery have continued to emerge. In the first half of 2025, e-commerce also continued its growth trend. According to the data from the National Bureau of Statistics, from January to June 2025, the national online retail sales amounted to RMB742.95 billion, representing an increase of 8.5% year-on-year. Among them, the online retail sales of physical goods amounted to RMB611.91 billion, representing an increase of 6.0% year-on-year.

As an important part of the new era of retail, live e-commerce has successfully integrated the warmth of offline services with the convenience of online shopping, and is reshaping consumers' shopping habits. C.banner has keenly grasped this trend and actively deployed on emerging content e-commerce platforms such as Xiaohongshu and Douyin, and improved user participation through innovative gameplay such as real-time interaction and limited-time special offers. We have built a three-dimensional live broadcast system covering teaching guidance, product display, and cross-regional broadcasting, and coordinated the promotion between the headquarters and regional branches to achieve a full coverage operation model of simultaneous broadcasting on multiple platforms.

In terms of omni-channel construction, the Company continued to deepen the online and offline integration strategy. The social e-commerce sector focused on optimizing the operation of Youzan Mall and the management of corporate WeChat communities. In terms of content marketing, it strengthened the live broadcast and short video delivery on the Douyin platform, while increasing the efforts to promote advertisements on Xiaohongshu. Local life services effectively guide online traffic to offline stores through cooperation with platforms such as Meituan and Dianping, etc. Relying on the WeChat public account with tens of millions of fans, we continued to improve the shopping functions of the micro mall and the store guide service to form a complete private domain traffic closed loop.

In terms of KOL cooperation strategy, the Company adopted a gradient layout, maintaining cooperation with top anchors on popular products while also focusing on cultivating mid-level anchors with growth potential. Through precise data matching, we continued to optimize KOL resource allocation, effectively controlling return risks while increasing brand exposure. For the core middle-class customer base, we paid special attention to the balance between product quality and price advantages, and gradually established stable customer loyalty through refined live broadcast product selection and membership service system.

Facing the inventory pressure brought by the high return rate of live e-commerce, the Company is seeking solutions from multiple dimensions such as supply chain optimization and pre-sale model innovation. At the same time, we continued to improve cross-channel collaboration efficiency and enhance the accuracy of content delivery, striving to maintain differentiated advantages in the fierce market competition. C.banner has always believed that through digital empowerment and omni-channel integration, it can create a seamless shopping experience for modern consumers and ultimately achieve continuous improvement of brand value.

Outlook

At present, there are downside risks to the economic outlook, including high global policy uncertainty, adverse changes in trade policies, and rising trade tensions, which may curb global economic growth. At the same time, continued inflation may slow the pace of interest rate cuts, and countries will continue to face various challenges. The World Bank's latest Global Economic Prospects report released in June 2025 said that it is expected that the increased trade tensions and policy uncertainty will drive global economic growth this year to the slowest pace since 2008. The turmoil has led to a downward revision of growth forecasts for nearly 70% of economies.

The report shows that global economic growth is slowing down as trade barriers rise sharply and policy uncertainty increases. The growth rate is expected to fall to 2.3% in the second half of 2025, marking a significant downward revision from previous forecasts, and only a tepid recovery is expected between 2026 and 2027. The growth rate could be lower if trade restrictions escalate or policy uncertainty persists. Other downside risks include slower-than-expected growth in major economies, worsening conflicts and extreme weather events.

In China, the economic slowdown reflects the impact of increased trade barriers and policy uncertainty, which are presumably offset by fiscal policy support measures already in place. Consumption growth is expected to remain weak amid declining confidence and a sluggish real estate sector.

Against the backdrop of globalization and market opening, the footwear industry is facing challenges such as rising labor costs, intensified competition, and diversified consumer demand. At the same time, the rise of digital technologies such as big data, cloud computing, and AI has provided new opportunities for industry transformation. C.banner will fully promote its digital strategy and achieve a comprehensive upgrade of product design, production management, and marketing services through technology empowerment, thereby enhancing its core competitiveness and opening up new market space.

The Company is transforming from traditional brand management to data-driven brand management. In 2025, we will focus on promoting the construction of intelligent training, intelligent customer service and intelligent supply chain systems, and use AI technology to optimize market planning and improve operational efficiency. At the specific implementation level, we will apply AI to core systems such as store management, membership services, and cloud warehouse logistics to achieve inventory sharing and rapid turnover. By building a private domain traffic pool and integrating digital channels such as mini-program malls and live broadcasts, we will create a seamless full-scenario shopping experience for consumers.

In terms of product strategy, C.banner focuses on improving core products and creating popular products, and improves operating efficiency through differentiated strategies such as accurate store layout and rapid market response. It is expected to achieve growth in both scale and gross profit by the second half of 2025, while optimizing the inventory levels. As consumers' demand for functionality, fashion and environmental protection increases, we continue to strengthen our technological innovation capabilities, focus on the integration of design aesthetics and trendy elements on the basis of maintaining professional functionality, and expand the applicable scenarios of products.

The Company's brand matrix, including "C.banner", "EBLAN", "MIO", and "Natursun", offers differentiated products for different consumer groups. In the future, it will pay more attention to the transformation of the research and development model oriented to customer needs, use AI to accelerate the product development process, and improve the response speed from design to market. Although this transformation process is full of challenges, it will inject new momentum for the brand's sustainable development.

In the wave of digitalization, C.banner will adhere to the combination of technological innovation and fashion genes, realize full-link optimization from product design to terminal services through intelligent upgrades, and continue to consolidate its leading position in the Chinese footwear market. We believe that this data-driven, customer-centric strategic transformation will help brands better cope with the rapidly changing market environment.

Looking ahead, the Company will continue to focus on strengthening its core business, optimizing online and offline experience, refining operations, and further enhancing its competitiveness. No matter how complex and changeable the external environment is, the Group will work hard to achieve the long-term development of the Company and create value for the Company's shareholders.

FINANCIAL REVIEW

For the six months ended 30 June 2025, the Group's total revenue amounted to RMB640.2 million, decreased by 11.2% as compared to the same period of last year. Loss for the period amounted to RMB141.8 million, decreased by 369.6% from profit of RMB52.6 million as compared to the same period of last year.

Revenue

For the six months ended 30 June 2025, the Group's revenue decreased by 11.2% to RMB640.2 million, compared to RMB720.6 million in the same period of last year, mainly attributable to the decrease in revenue from footwear business. Due to weak domestic consumer demand and tariffs, revenue from retail and wholesale businesses decreased by RMB46.0 million as compared to the same period of last year, and revenue from contract manufacturing business decreased by RMB43.4 million as compared to the same period of last year.

The Group's revenue mix comprises income from retail and wholesale of shoes (“**Retail and Wholesale**”), contract manufacturing of shoes (“**Contract Manufacturing**”) and retail of toys (“**Retail of Toys**”). The revenue distribution of Retail and Wholesale, Contract Manufacturing and Retail of Toys is set out as follows:

	Six months ended 30 June				
	2025		2024		% of Growth
	<i>RMB('000)</i>	<i>% of Total Revenue</i>	<i>RMB('000)</i>	<i>% of Total Revenue</i>	
Retail and Wholesale	566,406	88.5	612,389	85.0	(7.5)
Contract Manufacturing	28,989	4.5	72,398	10.0	(60.0)
Retail of Toys	44,770	7.0	35,856	5.0	24.9
Total	<u>640,165</u>	<u>100</u>	<u>720,643</u>	<u>100</u>	<u>(11.2)</u>

Profitability

For the six months ended 30 June 2025, the Group's gross profit decreased by 9.0% to RMB381.9 million, a decreased of RMB38.0 million from RMB419.9 million in the same period of last year. As of 30 June 2025, the gross profit margin was 59.7%, increased by 1.4 percentage points compared to 58.3% in the same period of last year.

For the six months ended 30 June 2025, the Group's distribution and selling expenses reached RMB330.2 million, a decreased of RMB16.4 million or decreased by 4.7% from the same period of last year, primarily due to a decrease in channel expenses and sales commissions as a result of decrease in revenue from footwear business. Distribution and selling expenses accounted for 51.6% of revenue, compared to 48.1% in the same period of last year.

For the six months ended 30 June 2025, the Group's administrative and general expenses amounted to RMB61.5 million, an increase of RMB2.0 million or 3.4% from the same period of last year. Administrative and general expenses accounted for 9.6% of revenue, compared to 8.3% in the same period of last year. The increase of such ratio mainly due to the overall decrease in revenue from footwear business.

For the six months ended 30 June 2025, the Group's other income and expenses and other gains and losses recorded a loss of RMB124.5 million, which was attributed to the provision for impairment of RMB149.1 million for trade debts owed by Nanjing Mayflower, compared to a net gain of RMB55.5 million in the same period of last year.

For the six months ended 30 June 2025, the Group recorded finance costs of RMB0.4 million, compared to RMB0.5 million in the same period of last year. The Group's finance costs are rental interests.

For the six months ended 30 June 2025, the Group's income tax expense decreased by approximately RMB9.2 million or 56.4% to RMB7.1 million, compared to RMB16.3 million in the same period of last year. The decrease was mostly attributed to the decrease in profit before tax due to decrease in revenue from footwear business.

For the six months ended 30 June 2025, profit attributable to equity holder of the Company recorded a loss of RMB142.0 million, compared to a profit of RMB52.4 million recorded the same period of last year.

Current Assets and Financial Resources

As of 30 June 2025, the Group had bank balances and cash of RMB483.4 million (31 December 2024: RMB429.7 million).

For the six months ended 30 June 2025, net cash generated from operating activities was RMB76.6 million, an increase of RMB49.9 million as compared to net cash generated from operating activities of RMB26.7 million in the same period of last year.

For the six months ended 30 June 2025, net cash used in investing activities was RMB12.3 million, compared to net cash used in investing activities of RMB32.9 million during the same period of last year.

For the six months ended 30 June 2025, net cash outflows from financing activities was RMB10.6 million, while net cash outflows from financing activities in the same period of last year was RMB11.0 million.

As of 30 June 2025, the net current assets of the Group were RMB672.8 million, compared with RMB859.9 million as of 31 December 2024, representing a net decrease of RMB187.1 million or 21.8%.

Pledge of Asset

As of 31 December 2024 and 30 June 2025, the Group had no pledged assets.

Contingent Liabilities

The Group did not have any substantial or contingent liabilities as of 30 June 2025.

Capital Commitments

As of 30 June 2025 and 31 December 2024, the Group had no capital commitments that have been contracted but not yet provided in the condensed consolidated financial statements.

Foreign Exchange Risk Management

The Group's sales are mainly denominated in RMB, while its Contract Manufacturing is mainly denominated in USD. For the six months ended 30 June 2025, the Contract Manufacturing accounted for 4.5% of total revenue. Nevertheless, the Board will keep monitoring the impact of the exchange rate on our business closely and take appropriate measures to mitigate the impact where necessary.

For the six months ended 30 June 2025, the Group recorded a RMB0.3 million gain from currency exchange, compared to RMB1.8 million loss in the same period of last year. The Group did not hold any derivative instruments for hedging against foreign exchange risk.

Future Plans for Material Investment or Capital Assets

Save as disclosed in this announcement, as of 30 June 2025, the Group had no concrete plans to acquire any material investment or capital assets other than in the Group's ordinary course of business.

Human Resources

As of 30 June 2025, the Group had 3,999 employees (31 December 2024: 4,412 employees). In order to retain top-notch talents, the Group offers competitive remuneration packages, including mandatory pension funds, insurance and medical benefits. In addition, the Group pays discretionary bonuses to qualified employees with reference to overall business performance and their individual work performance.

SIGNIFICANT SUBSEQUENT EVENTS

Save as disclosed herein, there was no significant event taken place subsequent to the end of the six months ended 30 June 2025.

Subsequent to 30 June 2025 and on 14 July 2025, the Group and Nanjing Mayflower reached a civil mediation settlement through the civil mediation proceedings chaired by the People's Court of Nanjing Qinhuai District (the "**Court**"), and the Court has issued a Civil Mediation Order (the "**Civil Mediation Order**"). Regarding the Civil Mediation Order, it was agreed by the Group and Nanjing Mayflower that the amount of RMB65,152,000 would be fully settled for periodic installment repayments from October 2025 to March 2045. For details, please refer to the announcement of the Company dated 17 July 2025.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix C3 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

Specific enquiry has been made of all the Directors and the Directors have confirmed that they had complied with such code of conduct throughout the six months ended 30 June 2025.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders of the Company and to enhance corporate value and accountability. Save as disclosed below, the Company has complied with all applicable code provisions under the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules for the six months ended 30 June 2025. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

Pursuant to code provision C.1.5 of the CG Code, non-executive directors should attend the general meetings. Ms. Cheng Xuanxuan, as the non-executive Director, didn't attend the Company's annual general meeting held on 26 June 2025 due to her other business commitment.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the six months ended 30 June 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any).

As at 30 June 2025, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The audit committee of the Company had reviewed together with the management of the Company the accounting principles and policies adopted by the Group and the unaudited interim condensed consolidated results for the six months ended 30 June 2025.

PUBLICATION OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED RESULTS AND 2025 INTERIM REPORT ON THE WEBSITES OF THE HONG KONG STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Hong Kong Stock Exchange and the Company, and the 2025 interim report containing all the information required by the Listing Rules will be sent to the shareholders of the Company and published on the respective websites of the Hong Kong Stock Exchange and the Company in due course.

By order of the Board
C.banner International Holdings Limited
Chen Yixi
Chairman

PRC, 28 August 2025

As at the date of this announcement, the executive Directors are Mr. CHEN Yixi, Mr. YUAN Zhenhua, Mr. WU Weiming and Mr. ZHANG Baojun; the non-executive Director is Ms. CHENG Xuanxuan; and the independent non-executive Directors are Mr. KWONG Wai Sun Wilson, Mr. XU Chengming and Mr. ZHENG Hongliang.