

2025/26

INTERIM REPORT

滔搏
TOPSPORTS

TOPSPORTS INTERNATIONAL HOLDINGS LIMITED
滔搏國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6110

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CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. YU Wu
(Chairman & Chief Executive Officer)
Mr. LEUNG Kam Kwan

Non-executive Directors

Mr. SHENG Fang
Ms. YUNG Josephine Yuen Ching
Ms. HU Xiaoling

Independent Non-executive Directors

Mr. LAM Yiu Kin
Mr. HUA Bin
Mr. HUANG Victor

Authorized Representatives

Mr. LEUNG Kam Kwan
Ms. YUNG Josephine Yuen Ching

Audit Committee

Mr. LAM Yiu Kin *(Chairman)*
Mr. HUA Bin
Mr. HUANG Victor

Remuneration Committee

Mr. HUA Bin *(Chairman)*
Mr. YU Wu
Mr. LAM Yiu Kin

Nomination Committee

Mr. HUANG Victor *(Chairman)*
Mr. YU Wu
Mr. LAM Yiu Kin

Company Secretary

Mr. LEUNG Kam Kwan, *FCPA*

Registered Office

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Ugland House
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KY1-1104
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

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Principal Place of Business in the PRC

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No. 928 Liuzhou Road
Xuhui District
Shanghai, PRC

Stock Code

6110

Website

www.topsports.com.cn

Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity
Auditor
22/F Prince's Building
Central, Hong Kong

Legal Advisor

Cleary Gottlieb Steen & Hamilton
(Hong Kong)
37th Floor, Hysan Place
500 Hennessy Road
Causeway Bay, Hong Kong

Principal Share Registrar

Maples Fund Services (Cayman)
Limited
P.O. Box 1093
Boundary Hall, Cricket Square
Grand Cayman
KY1-1102
Cayman Islands

Hong Kong Branch Share Registrar

Computershare Hong Kong
Investor Services Limited
Shops 1712-1716
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183 Queen's Road East
Wanchai, Hong Kong

Principal Bankers

Bank of China (Hong Kong) Ltd.
Bank of Communications Co., Ltd.
China Merchants Bank Co., Ltd.
The Hongkong and Shanghai
Banking Corporation Ltd.

FINANCIAL HIGHLIGHTS

		Unaudited Six months ended 31 August	
		2025	2024
Revenue	RMB million	12,298.6	13,054.7
Gross profit	RMB million	5,037.4	5,362.4
Operating profit	RMB million	993.8	1,120.9
Profit attributable to the Company's equity holders	RMB million	789.1	873.8
Gross profit margin	%	41.0	41.1
Operating profit margin	%	8.1	8.6
Profit margin attributable to the Company's equity holders	%	6.4	6.7
Earnings per share – basic and diluted	RMB cents	12.72	14.09
Dividend per share – interim	RMB cents	13.00	14.00
Average trade receivables turnover period	days	12.6	16.1
Average trade payables turnover period	days	8.2	14.8
Average inventory turnover period	days	150.0	148.3

		Unaudited As at 31 August 2025	Audited As at 28 February 2025
Gearing ratio	%	Net cash	Net cash
Current ratio	times	2.0	2.4

STATEMENT FROM CEO

MARKET REVIEW

During the period, the global political and economic landscape was fraught with complexities and uncertainties. Nevertheless, bolstered by macro policy framework, China's economy maintained an overall trajectory of steady growth momentum. In the first half of 2025, China's domestic Gross Domestic Product (GDP) registered a year-on-year growth of 5.3%. Specifically, with regard to the textile and apparel industry — where the Group operates — the sector exhibited a composite trend defined by “moderate domestic sales upturn, export headwinds, online recovery, offline divergence”. This, combined with the prevailing characteristics of Chinese residents' consumer confidence during the same period — namely “stabilization at a relatively low level, structural divergence, and a restructuring of expenditure patterns” — led to a moderate year-on-year growth of 2.5% in the textile and apparel segment within the overall total retail sales of consumer goods. While this growth rate was slightly higher than that of the corresponding period last year, it remained notably below the growth rate of the overall total retail sales of consumer goods during the period.

While the broader retail landscape remains challenging, the “resonance effect” — driven by policy dividends, occasion segmentation, and value upgrading — has unlocked opportunities for the sports footwear and apparel industry to transcend traditional growth boundaries and embrace diversified expansion. During the period, we witnessed a deeper penetration of “self-fulfilling” sports lifestyles. Activities such as camping, hiking, cycling, and yoga have gained widespread traction, as consumers turn to sports for physical relaxation and mental rejuvenation. Conversely, competitive outdoor sports and small-ball games have seen remarkable growth: enthusiasm for pursuits like trail running, skiing, and tennis remains high, with their social appeal and competitive thrill continuing to fuel public participation. Additionally, sustainable development and the green circular economy are gradually emerging as key priorities for consumers. These shifts are steadily driving the evolution of product value — moving beyond “physical attributes” toward “spiritual attributes” — and creating avenues for differentiation.

Looking Outward: To Discern Trends Shows Clarity; To Ride Them Shows Wisdom

Facing external challenges, Topsports has sustained efforts across multiple dimensions — including market insights, category expansion, and Omni-channel scaling — to steadily enhance its competitiveness and risk resilience. We maintain strategic foresight, collaborate closely with upstream and downstream partners, and proactively drive localized innovation initiatives. These efforts collectively enable us to deliver a diverse range of options and tailored recommendations for Chinese consumers across all occasions. With a focus on diversified segmentation and professional upgrading, Topsports has continued to strengthen its brand presence in the running and outdoor segments, expanding its “partner ecosystem”; meanwhile, *ektos* — its own emerging running specialty concept store — has transcended traditional retail models through diverse formats. It offers one-stop solutions and services for sports enthusiasts, further extending the company's “capability scope”. During the period, we expanded our full-scenario coverage by onboarding over 3,700 stores onto emerging instant retail platforms. Concurrently, we joined forces with brand partners to create unique offline experiential value: through localized innovations, NBA star player tours in China, and trail running events, we delivered fresh interactive and experiential formats to consumers. In user operations, we aligned with evolving demand segmentation, upgraded the membership tier system, and deepened user engagement via Topsports' original user IP “Taoxiaoxia”. We also embraced sustainability by prioritizing product quality and ecological protection; in collaboration with brands, we launched clothing recycling programs to advocate green and low-carbon consumption values.

By leveraging insights into macro market cycle fluctuations, shifts in sports segments, and evolving consumer behaviors, we have refined our strategies through continuous observation and iteration. We are committed to becoming an active co-creator of diversified sports culture, an exclusive collaborator for brand partners in localized innovation, a pioneering driver of emerging offline formats, and a dedicated advocate for the circular economy.

STATEMENT FROM CEO

MARKET REVIEW (Continued)

Looking Inward: Strength to Excel over Others, Resilience to Transcend Ourselves

Meanwhile, Topsports has persisted in prioritizing internal advancement: proactively breaking through bottlenecks, navigating market fluctuations with strategic resolve, and refining its core capabilities to strengthen corporate resilience. For its talent strategy, Topsports rolled out its talent philosophy — “Ambition-driven, self-motivated, disruption-ready, introspective, accountable, and collaborative” — focused on building growth-oriented teams that combine innovative thinking with hands-on execution. In developing its Omni-channel retail operation system, the company streamlined a matrix-based approach tailored to channel-specific characteristics. It fully integrated offline and online resources, enabling mutually reinforcing progress in scale expansion and efficiency optimization. Regarding technological upgrading, Topsports continued to advance its tech-empowerment strategy: expanding the application scope of various tools and consistently enhancing the digital and intelligent operation efficiency across multiple platforms. For inventory management — a critical link for retail enterprises — Topsports has kept focusing on the efficiency of inventory flow across all channels, and prudently balanced supply and demand amid a dynamic macro environment, with lean inventory management approach. The group was able to maintain a healthy capital structure and sufficient cash reserves, in order to provide solid support for the company’s strategic implementation and shareholder returns, cementing a stable cornerstone for its long-term prosperity.

During the period, Topsports garnered numerous accolades, with its brand influence seeing a marked rise. For the fifth consecutive year, we were named a “Most Honored Company” in rankings by Extel — an internationally authoritative financial magazine. We also claimed the top spot in comprehensive rankings for subcategories including Chief Executive Officer, Investor Relations, and ESG, further cementing international recognition for our exceptional governance standards. This year, the Group retained its place in the Fortune China 500, secured a top-10 position in the China Chain Store & Franchise Association’s “China Fashion Retail & Fashion Consumption TOP 100” for the third straight year, and earned a spot on the “2025 High-Quality Consumption Brands TOP 100” (co-evaluated by Southern Metropolis Daily and the Guangdong Chain Store & Franchise Association). Additionally, we were honored with the “Consumption Innovation Case” award — testament to the broad societal recognition our corporate contributions and brand strength continue to command.

FINANCIAL REVIEW

During the period, the broad sportswear sector continued to grapple with common challenges, such as disruptions to macro demand, volatility in offline operating conditions, and consumer confidence that stabilized at a low level — paired with a fragmented spending structure. Impacted by the aforementioned factors, the Group’s revenue decreased by 5.8% year-on-year to RMB12,298.6 million. Supported by its Omni-channel retail capabilities, the year-on-year growth of the online retail business partially mitigated the foot traffic pressure on the offline retail business.

At the gross profit margin level, given the relatively prevailing promotional intensity in China’s overall online retail market for sports footwear and apparel, combined with the increased share of the Group’s online retail business in total sales during the period, the discount rate for the period widened year-on-year, which exerted a negative impact on the gross profit margin. Meanwhile, during the period, the higher proportion of the retail business’s contribution to total revenue, along with the support from brand partners amid the volatile market environment, jointly provided positive support to the gross profit margin. During the period, the Group’s gross profit margin remained generally stable, edging down 0.1 percentage points year-on-year to 41.0%.

STATEMENT FROM CEO

FINANCIAL REVIEW (Continued)

In terms of selling and distribution expenses and general and administrative expenses, while the weakened offline retail foot traffic during the period posed negative operating de-leverage pressures on traditional offline store operations, the Group mitigated this impact by leveraging the continuous expansion and refinement of its Omni-channel retail network. This encompasses the ongoing optimization of the offline retail store network, as well as the further expansion of the online retail layout – which boasts a relatively more favorable cost structure. During the period, selling and distribution expenses and general and administrative expenses decreased by 5.5% year-on-year, with the corresponding expense ratio slightly increased by 0.1 percentage points to 33.2%. This demonstrates the Group's prudent expense control mindset and execution amid a volatile market environment, as well as the flexibility and operational efficiency driven by its Omni-channel retail network layout.

During the period, with gross profit margins remaining relatively stable, the Group's expanded Omni-channel layout resulted in a more flexible cost structure. Concurrently, we continued to refine cost efficiency management. Leveraging the synergies of these factors, the operating de-leverage impact on net profit from declining revenue was partially alleviated. During the period, the profit attributable to the Company's equity holders decreased by 9.7% year-on-year to RMB789.1 million, with the profit margin attributable to the Company's equity holders declining by 0.3 percentage points year-on-year to 6.4%.

Cash is the cornerstone of a company's long-term sustainability. As of 31 August 2025, the Group's cash and cash equivalents amounted to RMB2,538.1 million, among which net cash generated from operating activities was RMB1,354.7 million. Based on this, the Board has resolved to declare an interim dividend of RMB13.00 cents per ordinary share for the financial year ending 31 August 2025, with a dividend payout ratio of 102.2%. Amid a volatile market environment, the Group has maintained a high dividend payout ratio that outperforms the industry average, fully demonstrating its firm and proactive approach to rewarding shareholders through steady cash generation.

BUSINESS REVIEW

Omni-channel Retail: Launching an Integrated Omni-Dimensional Paradigm for Sports Retail

Against the backdrop of evolving consumer shopping habits and scenario-specific demands, Topsports leverages its physical stores as the anchor, proactively expanding consumer interaction touchpoints and building an integrated omni-channel retail network. It is committed to delivering a seamlessly connected, full-scenario service experience for consumers. We have taken a forward-looking approach to transforming traditional stores beyond their singular function, developing a diversified operational model of "1 (offline store) + N (corresponding multi-scenario online presence)". By period-end, our offline stores had extended to online business touchpoints, spanning channels including content e-commerce, private domain operations, local lifestyle services, and instant retail. Supported by the synergy of inventory management, talent capabilities, customer service, and digital intelligence platforms, we accurately capture the differentiated needs of consumers across various shopping contexts.

STATEMENT FROM CEO

BUSINESS REVIEW (Continued)

Omni-channel Retail: Launching an Integrated Omni-Dimensional Paradigm for Sports Retail (Continued)

Offline Network: Structural Refinement and Experience Elevation

In terms of store network layout, we adhere to the principle of “Selection + Optimization”, with operational efficiency as our core anchor. We develop a “one brand, one strategy” approach to retail store structure adjustment, tailored to the unique characteristics of our brand partners, target customer profiles, and product attributes. We apply stricter screening criteria to new store openings and renovations: new stores focused on flagship formats of core brands and new layouts for specialized niche-category brands, with emphasis on enhancing comprehensive services throughout the consumer shopping journey. Renovations were centered on boosting future operational efficiency. For store closures, we will make dynamic survival-of-the-fittest adjustments based on market trends to mitigate the impact of sluggish foot traffic on operational performance.

Additionally, we continue to explore innovations in store scenarios and formats, delivering more diverse and distinctive consumer experiences across all touchpoints. This responds to young consumers’ preferences and accelerates the rollout of store scenarios integrating “functional services + social attributes”. During the period, the norda™ pop-up store operated by Topsports debuted at the 2025 Yunqiu Mountain Trail Race by UTMB. This scenario-driven retail space, focused on trial experiences with minimalist aesthetics and striking design, drew numerous runners for on-site interaction and sharing. This year, Topsports co-led and executed NBA star player China tours with key brand partners, covering its stores in prime business districts of Shenzhen and Chengdu. The events saw overwhelming fan enthusiasm, further underscoring Topsports’ role as an “active co-creator of diverse sports cultures”. Notably, the “Future of Style” concept store, co-launched with Adidas, serves as a key initiative for the brand’s localization efforts. It leverages futuristic, functional-style products and store design to create fresher, more cutting-edge in-store experiences for young customers. We also collaborated with the emerging pet brand “Honest Bite” to launch an in-store used clothing recycling campaign, advocating circular economy and engaging nearly 10,000 participants.

As of 31 August 2025, we operated a total of 4,688 directly-operated stores, with the total number of stores decreasing by 19.4% year-on-year and the gross selling area decreasing by 14.1% year-on-year. Compared with 28 February 2025, the total number of stores decreased by 6.6% and the gross selling area decreased by 4.6%. Overall, we firmly recognize the fundamental role of physical stores in the sports industry: we upgrade stores with untapped potential, deepen the integration of online capabilities into offline outlets, and strive for an optimal balance between experiential value delivery and store performance.

Changes in the number of stores, gross selling area and selling area per store during the period:

	28 February 2023	Annual 29 February 2024	28 February 2025	Interim 31 August 2025
Number of stores at the beginning of the period	7,695	6,565	6,144	5,020
Net decrease in the number of stores	(1,130)	(421)	(1,124)	(332)
Number of stores at the end of the period	6,565	6,144	5,020	4,688
YoY change in gross selling area	(6.8%)	(0.8%)	(12.4%)	(14.1%)
YoY change in selling area per store	9.2%	6.0%	7.2%	6.5%

STATEMENT FROM CEO

BUSINESS REVIEW (Continued)

Omni-channel Retail: Launching an Integrated Omni-Dimensional Paradigm for Sports Retail (Continued)

Online Ecosystem: Omni-channel Integration, Consolidate Foundations, and Explore New Frontiers

During the period, we built our Omni-channel retail capabilities around “online-offline synergy + differentiated channel operations”. For online, we systematically expanded multi-scenario layouts centered on consumer needs, proactively embracing new platforms and engagement methods to connect with consumers. Leveraging refined channel operations, efficiency optimization and scenario innovation as key levers, we supported the high-quality growth of our online business.

During the period, sustained fluctuations in traditional offline foot traffic remained a common industry challenge. To drive breakthroughs amid adversity, we leveraged our offline stores as a base, fully extending their online reach through the comprehensive rollout of our “One Store, Multiple Online Presences” Omni-channel mirrored store initiative. This included building diverse channels such as in-store Douyin livestreams, Xiaohongshu accounts, WeChat Mini Programs, and on-demand retail. Meanwhile, we strengthened omni-channel inventory control and operational synergy, and cultivated an omni-channel sales mindset among store staff — shifting from a “waiting for customers to arrive” model to a “connecting products with customers” approach. This not only mitigated the adverse impact of foot traffic fluctuations to a certain extent but also drove improvements in the operational efficiency of our Omni-channel stores during the period.

In terms of refined operations across different online scenarios, we developed differentiated strategies based on the unique attributes of each platform. For platform e-commerce, we focused on building a store matrix to expand our presence, leveraging our multi-brand advantages and enhancing efficiency through expanded inventory support. For content e-commerce, we penetrated target audiences via account matrices and linked promotion of blockbuster products. In private domain operations, we deepened connections with users through precise, customized community services. As for instant retail — our new addition during the period — we leveraged our store network to meet users’ sports needs for “Ready to Play, Gear Ready Instantly”. Additionally, we drove traffic from online to offline through different local life platforms and cross-industry collaborations, partially offsetting the impact of sluggish offline foot traffic.

As of the end of the period, we had over 800 accounts on Douyin and WeChat Channels, more than 3,600 Mini Program stores, and over 3,700 stores onboarded to instant retail platforms. During the period, our sales on Douyin maintained the top position in the platform’s Sports & Outdoor category rankings. Our private domain Mini Program also retained the No.1 spot in the Sports & Outdoor category of Tencent’s officially released WeChat Popular Mini Programs rankings. In the same period, sales from our online retail business (covering both public and private domains) achieved double-digit year-on-year growth.

Diversified Segment Expansion: Expanding the “Partnership Network” and “Capability Horizon”

Affected by the external environment, Chinese consumers have grown more cautious, and their consumption motives extend beyond mere practical value — the emotional value and connections that products embody have become increasingly pivotal. Additionally, as running continues to gain momentum, consumers’ demand for sports gear has shifted from basic functionality to a dual focus on “professional performance + emotional value”: they seek advanced experiences tailored to specific scenarios, while also prioritizing emotional alignment between brands and their personal values. Consequently, specialized sports brands focused on vertical niches are winning greater favor. Against this backdrop, our brand matrix — spanning comprehensive sports, professional sports, casual sports, and IP culture — has allowed us to keenly capitalize on market opportunities and further expand our “partnership network”. We have prioritized deepening our brand presence in the segmented running and outdoor categories, and have successively forged collaborations with running brands norda™, soar, and Ciele, as well as outdoor brand Norrøna — all to meet differentiated demands.

STATEMENT FROM CEO

BUSINESS REVIEW (Continued)

Diversified Segment Expansion: Expanding the “Partnership Network” and “Capability Horizon” (Continued)

Furthermore, we are expanding our own “capability scope”. As the exclusive operating partner for the aforementioned brands in the Chinese market, Topsports will oversee end-to-end operations for these brands in China, encompassing strategic positioning, localized content outreach, Omni-channel retail operations, and community culture cultivation. At different stages of the brands’ growth, we will prioritize distinct focus areas — including team building, market visibility, product iteration, benchmark branding, and scale contribution. By collaborating closely with the brand partners, we aim to unlock market potential, establish effective connections with target users, and drive the sustainable, healthy development of the brands. Currently, the above-mentioned brands are actively building social media matrices to attract core users through large-scale events and community activities, striving to realize cross-scenario brand mindset cultivation and precise audience anchoring. In terms of channels, the above-mentioned brands have been successively meeting Chinese consumers through opening official flagship stores on online channels and adopting diversified offline formats such as pop-up stores and entering boutique shops.

Moreover, as an innovative step to deepen our footprint in the running sector and retail formats, we aspire to connect runners, brands, and culture through our running lifestyle brand. Recently, we launched etkos – our first running specialty concept store in Shanghai. With “runners’ needs” at its core, the store reimagines traditional offline retail by emphasizing integration into the community and runners’ daily lives, thereby boosting user loyalty. The store’s multi-functional space provides one-stop services for runners, while its open areas encourage consumers to leave sports memorabilia, co-creating a cultural ambiance. In product curation, we adhere to a professional logic: leveraging expertise to solve consumers’ pain points, and continuously introducing sufficiently unique products to keep users engaged. Furthermore, we will focus on community operation and content co-creation. By hosting cultural events and engaging with runners, we aim to elevate etkos from a mere running gear retailer to a platform that disseminates running culture and facilitates communication and growth among running enthusiasts.

User Operations: In-depth Exploration and Value Upgrade

As the complexity of the external environment and volatility of consumer demand continue to escalate, enterprises face markedly greater challenges in accurately grasping consumer psychology and enhancing user stickiness. Against the backdrop of industry-wide pain points — including the exhaustion of traffic dividends and surging customer acquisition costs — Topsports remains steadfastly consumer-centric. We are building a diversified user value system around three core directions: “demand alignment, scenario immersion, and experience value”. By deeply unlocking users’ latent value, we have cultivated a virtuous development ecosystem that drives the continuous deepening of user relationships.

On the customer acquisition front, we have focused on expanding our Omni-channel footprint. By leveraging scenario-based interactions, engaging marketing campaigns, and cross-industry partnerships across all channels, we have attracted new users — with our total accumulated user base reaching 89 million. Meanwhile, we have driven the integration and unification of user data across multiple platforms, and refined our Omni-channel user profiles. This ensures users enjoy consistent benefits and experiences across all touchpoints in the Omni-channel ecosystem.

STATEMENT FROM CEO

BUSINESS REVIEW (Continued)

User Operations: In-depth Exploration and Value Upgrade (Continued)

On the existing user operations front, we center our efforts on refined demand alignment to deeply unlock the needs of our current user base. During the period, we revamped both the names and benefits of Topsports' membership tier system — strengthening emotional bonds with users. We also deeply integrated our original membership IP “Taoxiaoxia” into daily scenarios, including travel, shopping, and inquiry support. Its online interactive campaigns during the May Day holiday successfully reactivated over 1 million private domain users, driving more than RMB 100 million in sales. Beyond our regular annual membership initiatives tied to key marketing touchpoints — such as the May Day Card Collection, September 9 Membership Month, New Year Shopping Festival, and campaigns in popular tourist cities — we launched a money-saving seasonal card tailored for high-frequency shoppers, the repurchase rate of cardholders is significantly higher than that of regular users.

Furthermore, to deepen emotional resonance with young consumers, we have activated community engagement across multiple dimensions — hosting a diverse array of IP co-branded marketing campaigns and offline community experience events. For IP collaborations, we co-created exclusive products with trendy anime/二次元(ACG) IPs such as PINGU and BOBOtheBALL, and participated in offline themed markets, allowing us to connect with consumers through more engaging interactions. In terms of offline experiences, we leveraged our stores' unique role as gathering hubs for sports enthusiasts: we partnered with brand collaborators to lead and deliver NBA star player China tours. Additionally, our sports community IP “Yaoran Sports Club” (要燃運動社) joined hands with brand partners, shopping malls, and sports communities to host a variety of offline activities — including city cycling challenges, dance parties, and running training sessions. By expanding “Sports + ” scenarios, we strengthen value alignment between the brand and young audiences, further boosting user sense of belonging and brand favorability.

Through the aforementioned initiatives, despite fluctuations in the consumption environment, members contributed 92.9% of total retail sales (including VAT) from offline stores and WeChat Mini Programs. Repurchasing members accounted for approximately 60% of total member retail sales, sustaining a consistently high and stable sales contribution. Our efforts to cultivate loyalty among high-value members have continued to deliver positive outcomes. While high-value members represent only a mid-single-digit share of the total paying member base, they drive nearly 35% of total sales value from members. Furthermore, the average transaction value (ATV) of high-value members remains significantly higher than that of the broader member base — roughly 6 times the ATV of all members. This underscores their sustained edge in consumption potential and stickiness compared to regular members.

	As at			
	29 February 2024	31 August 2024	28 February 2025	31 August 2025
Cumulative user base* (Million)	76.3	81.0	86.0	89.1
Percentage of retail sales (including VAT) from offline stores and WeChat Mini Programs contributed by members during the period#	93.4%	93.7%	93.2%	92.9%

* Users include members and potential members (i.e. non-member WeChat followers)

The Period refers to semi-annual data as of 31 August and annual data as of 28/29 February.

STATEMENT FROM CEO

BUSINESS REVIEW (Continued)

Digital & Intelligent Iteration: Building Topsports' "Smart Retail Ecosystem"

During the period, our digital platforms generally advanced toward a more digital and intelligent iteration. Guided by the core principle of "precision + efficiency" and closely aligned with our business strategy, we focused on scaling up and driving cost reduction and efficiency gains across the entire domain. We refined our efforts around three key themes — Omni-channel integration, intelligence, and panoramic insights — to build Topsports' "Smart Retail Ecosystem".

To address the linkage and collaboration of core business units across multiple scenarios, we have focused on the theme of Omni-channel integration, building an information highway to enable cross-scenario integration of different business units. In terms of merchandise, we have prioritized to leverage technological means to expand the scope of inventory sharing. Similarly, in membership and marketing, technological capabilities strongly support the flexible universalization of Omni-channel membership identities and benefits, as well as the issuance and conversion of diverse coupon types and combinations across different business scenarios — facilitating user value mining and sales conversion. To serve consumers more quickly and with higher quality, we have achieved uniformity and efficiency in customer service work orders through service integration and intelligent workflow. Meanwhile, we have aggregated all data onto a unified platform, completing the upgrade and migration of the data center, which has improved system utilization and operating speed while driving benefit optimization.

In terms of Omni-channel intelligence, we have optimized key business chains and enhanced their efficiency through digital and intelligent means, including: By implementing timely management and control over the end-to-end supply chain, we have improved the efficiency of inventory shelving and utilization. Meanwhile, we continue to iterate on replenishment and adjustment tools to enhance both the efficiency and accuracy of replenishment processes. In leveraging intelligence to empower marketing and sales, we have upgraded our product listing capabilities — shifting from "assisted driving" to "autonomous driving". Additionally, tools such as intelligent product recommendations, AI-generated content and copy, and AI-assisted product selection have enabled automated and precise engagement with users. Digital and intelligent technologies are also driving operational and decision-making efficiency: they support data-driven automation and precision in store operations, and facilitate the transition from "passive analysis" to "proactive intelligence".

In terms of Omni-channel comprehensiveness, we have focused on leveraging digital and intelligent capabilities to achieve in-depth construction of the user ecosystem and value enhancement under the AI-empowered ecosystem. By building various user operation modules aligned with the user value growth curve, we support the development of an "all-time, all-scenario, and full-lifecycle" user ecosystem. Meanwhile, the accelerated penetration of AI technology has injected new momentum into the innovation of retail operations. Guided by the vision of "making AI a continuously iterating and self-reinforcing business growth flywheel", we have gradually achieved independent R&D of AI applications and their deployment in different scenarios and parts of business processes. Our goal is to build a virtual-real integrated, scenario-driven, and data-interconnected AI-empowered ecosystem.

STATEMENT FROM CEO

BUSINESS REVIEW (Continued)

Future Outlook: Steadfast in Practice, Forging Ahead into the Future

Against the backdrop of continued policy dividends, rapid technological advancements, and evolving consumer demands, the sportswear consumption industry is undergoing accelerated transformation. The intensifying competitive environment is creating a landscape where opportunities and challenges coexist. In response, we are choosing to proactively align with trends, confront market challenges head-on, and leverage forward-looking strategic positioning paired with agile execution to continuously strengthen our core competitiveness in sports retail. Our commitments remain steadfast: to deliver exceptional services that exceed consumer expectations, build a mutually beneficial, symbiotic value platform for brand partners, and generate stable, substantial long-term returns for shareholders — all as we strive to become the definitive preferred platform in the sports consumption sector.

Future Development Initiatives

- Focus on Omni-channel retail, users, innovative business formats and services, and lay out long-term growth
- Continuously focus on consolidating efficiency and forging the fundamental resilience of the retail platform
- Optimize and improve “precise + efficient” digital empowerment support
- Actively practice ESG concepts and build a sustainable path of ecological co-construction and value win-win

YU Wu

Chairman & Chief Executive Officer

Hong Kong, 22 October 2025

MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 31 August 2025, the Group recorded revenue of RMB12,298.6 million, a decrease of 5.8% compared with that of the six months ended 31 August 2024. The Group recorded operating profit of RMB993.8 million, a decrease of 11.3% compared with that of the six months ended 31 August 2024. The profit attributable to the Company's equity holders during the period under review amounted to RMB789.1 million, a decrease of 9.7% compared with that of the six months ended 31 August 2024.

REVENUE

The Group's revenue decreased by 5.8%, from RMB13,054.7 million for the six months ended 31 August 2024 to RMB12,298.6 million for the six months ended 31 August 2025. The decline was mainly due to the impact of volatility in offline operating conditions resulting in the foot traffic pressure on the offline retail business, partly offset by the year-on-year growth of the online retail business during the period under review. The following table sets forth a breakdown of the revenue from sale of goods by brand categories, concessionaire fee income and e-Sports income for the periods indicated:

	Six months ended 31 August		Six months ended 31 August		Decline rate
	2025		2024		
	Revenue	% of total	Revenue	% of total	
Principal brands*	10,811.5	87.9%	11,351.3	87.0%	4.8%
Other brands*	1,412.1	11.5%	1,608.8	12.3%	12.2%
Concessionaire fee income	62.1	0.5%	73.2	0.5%	15.2%
e-Sports income	12.9	0.1%	21.4	0.2%	39.7%
Total	12,298.6	100.0%	13,054.7	100.0%	5.8%

Unit: RMB million

* Principal brands include Nike and Adidas. Other brands include PUMA, Converse, VF Corporation's brands (namely Vans, The North Face and Timberland), ASICS, Onitsuka Tiger, Skechers, NBA, LI-NING, HOKA ONE ONE and KAILAS. Principal brands and other brands are classified according to the Group's relative revenue.

The Group sells sportswear products sourced from international and domestic sports brands either directly to consumers through the retail operations or to the downstream retailers under the wholesale operations. The following table sets forth a breakdown of the revenue from sale of goods by sales channel, concessionaire fee income and e-Sports income for the periods indicated:

	Six months ended 31 August		Six months ended 31 August		Decline rate
	2025		2024		
	Revenue	% of total	Revenue	% of total	
Retail operations	10,600.6	86.2%	10,924.7	83.7%	3.0%
Wholesales operations	1,623.0	13.2%	2,035.4	15.6%	20.3%
Concessionaire fee income	62.1	0.5%	73.2	0.5%	15.2%
e-Sports income	12.9	0.1%	21.4	0.2%	39.7%
Total	12,298.6	100.0%	13,054.7	100.0%	5.8%

Unit: RMB million

MANAGEMENT DISCUSSION AND ANALYSIS

PROFITABILITY

The Group's operating profit decreased by 11.3% to RMB993.8 million for the six months ended 31 August 2025. The profit attributable to the Company's equity holders decreased by 9.7% to RMB789.1 million for the six months ended 31 August 2025.

	Six months ended 31 August		
	2025	2024	Decline rate
Revenue	12,298.6	13,054.7	5.8%
Cost of sales	(7,261.2)	(7,692.3)	5.6%
Gross profit	5,037.4	5,362.4	6.1%
Gross profit margin	41.0%	41.1%	

Unit: RMB million

Cost of sales decreased by 5.6% from RMB7,692.3 million for the six months ended 31 August 2024 to RMB7,261.2 million for the six months ended 31 August 2025. Gross profit of the Group decreased by 6.1% to RMB5,037.4 million for the six months ended 31 August 2025 from RMB5,362.4 million for the six months ended 31 August 2024.

During the period under review, the gross profit margin of the Group was 41.0%, slightly decreased by 0.1 percentage points, from 41.1% for the six months ended 31 August 2024. Decrease in gross profit margin primarily due to the increased share of the Group's online retail business in total sales during the period with higher discount rate compared with offline retail business which exerted a negative impact on the gross profit margin, partly offset by the higher proportion of the retail business's contribution to total revenue and the support from brand partners during the period. As of 31 August 2025, the inventory decreased by 4.7% to RMB5,833.9 million, as compared with RMB6,119.9 million as at 31 August 2024.

Selling and distribution expenses for the six months ended 31 August 2025 were RMB3,575.4 million (six months ended 31 August 2024: RMB3,821.9 million), accounting for 29.1% of the Group's revenue (six months ended 31 August 2024: 29.3%). The selling and distribution expenses primarily include lease expenses, depreciation of right-of-use assets in relation to the stores, sales personnel salaries and commissions, other depreciation and amortization charges, impairment on right-of-use assets, and other expenses which mainly include store operation expenses, property management fees, logistics expenses and online service fees. Decrease in selling and distribution expenses was primarily driven by weaker revenue performance amid macroeconomic demand fluctuations, underwhelming overall offline foot traffic, and a year-on-year reduction in the number of directly operated stores during the period. This, in turn, led to lower related lease expenses, depreciation of right-of-use assets in relation to the stores and sales personnel salaries and commissions, partly offset by higher online retail sales resulting in an increase in online platforms service fee and logistics service fee during the period under review.

MANAGEMENT DISCUSSION AND ANALYSIS

PROFITABILITY (Continued)

General and administrative expenses for the six months ended 31 August 2025 were RMB505.5 million (six months ended 31 August 2024: RMB495.0 million), accounting for 4.1% of the Group's revenue (six months ended 31 August 2024: 3.8%). The general and administrative expenses primarily include lease expenses in relation to office premises, management and administrative personnel salaries, depreciation and amortization charges, other tax expenses and other expenses. Increase in general and administrative expenses primarily due to increase in staff costs and other tax expenses during the period under review.

Selling and distribution expenses and general and administrative expenses as a percentage of the Group's revenue for the six months ended 31 August 2025 was 33.2% (six months ended 31 August 2024: 33.1%), slightly increased by 0.1 percentage points.

Finance income decreased from RMB46.8 million for the six months ended 31 August 2024 to RMB43.3 million for the six months ended 31 August 2025. Decrease in finance income was due to less interest income of bank deposits incurred, as weighted average interest rate for the six months ended 31 August 2025 was lower than the same period of last year, offset by increasing in the average balance of bank deposits year-on-year.

Finance costs decreased from RMB59.3 million for the six months ended 31 August 2024 to RMB52.1 million for the six months ended 31 August 2025, primarily as a result of decreasing in interest expenses on lease liabilities during the period under review, partly offset by more interest expenses of short-term borrowings incurred, the average balance of short-term borrowings for the six months ended 31 August 2025 was higher than the same period of last year.

Income tax expense for the six months ended 31 August 2025 amounted to RMB197.0 million (six months ended 31 August 2024: RMB234.6 million). The effective income tax rate decreased by 1.2 percentage points to 20.0% for the six months ended 31 August 2025 from 21.2% for the six months ended 31 August 2024. The statutory income tax rate for the Group in Mainland China is generally 25% and the Company provided withholding tax provision on the profits retained by the subsidiaries in the PRC.

OTHER INCOME

Other income for the six months ended 31 August 2025 amounted to RMB39.0 million (six months ended 31 August 2024: RMB77.2 million) mainly consists of government incentives.

CAPITAL EXPENDITURE

The Group's capital expenditures primarily comprised of expenditures for property, plant and equipment and intangible assets. During the six months ended 31 August 2025, the total capital expenditure was RMB132.7 million (six months ended 31 August 2024: RMB207.4 million).

MANAGEMENT DISCUSSION AND ANALYSIS

BASIC EARNINGS PER SHARE

Basic earnings per share for the six months ended 31 August 2025 decreased by 9.7% to RMB12.72 cents from RMB14.09 cents for the six months ended 31 August 2024.

Basic earnings per share is calculated by dividing profit attributable to the Company's equity holders of RMB789.1 million for the six months ended 31 August 2025 (six months ended 31 August 2024: RMB873.8 million) by the weighted average number of ordinary shares of the Company in issue of 6,201,222,024 shares (six months ended 31 August 2024: 6,201,222,024 shares).

		Six months ended 31 August	
		2025	2024
Profit for the period attributable to the Company's equity holders	RMB million	789.1	873.8
Weighted average number of ordinary shares for the purpose of basic earnings per share	thousand of shares	6,201,222	6,201,222
Basic earnings per share	RMB cents	12.72	14.09

LIQUIDITY AND FINANCIAL RESOURCES

During the period under review, net cash generated from operations decreased by RMB1,277.3 million to RMB1,425.6 million for the six months ended 31 August 2025 from RMB2,702.9 million for the six months ended 31 August 2024.

Net cash used in investing activities for the six months ended 31 August 2025 was RMB90.3 million (six months ended 31 August 2024: net cash used in RMB110.4 million). During the period under review, the Group invested RMB125.1 million on payments for purchases of property, plant and equipment and intangible assets and placement of other bank deposits of RMB9,950.0 million, offset by proceeds from disposals of property, plant and equipment of RMB1.4 million, withdrawal of other bank deposits of RMB9,950.0 million and interest received of RMB33.4 million.

During the period under review, net cash used in financing activities was RMB1,313.7 million (six months ended 31 August 2024: net cash used in RMB1,619.5 million), mainly due to the repayments of short-term borrowings of RMB2,130.0 million, placement of short-term pledged bank deposits of RMB2,630.2 million, payments for lease liabilities (including interest) of RMB570.7 million and payments of the 2024/25 final dividend of RMB124.0 million and the 2024/25 special dividend of RMB744.1 million by the Group during the period, partly offset by proceeds from short-term borrowings of RMB3,900.0 million and withdrawal of short-term pledged bank deposits of RMB996.7 million.

As at 31 August 2025, the Group held short-term pledged bank deposits and cash and cash equivalents totaling RMB5,168.3 million, after netting off the short-term borrowings of RMB3,900.0 million, it was in a net cash position of RMB1,268.3 million. As at 28 February 2025, the Group held short-term pledged bank deposits and cash and cash equivalents totaling RMB3,584.1 million, after netting off the short-term borrowings of RMB2,130.0 million, it was in a net cash position of RMB1,454.1 million.

MANAGEMENT DISCUSSION AND ANALYSIS

GEARING RATIO

As at 31 August 2025, the gearing ratio (net debt (short-term borrowings less bank deposits, cash and cash equivalents) divided by total capital (total equity plus net debt)) of the Group had a net cash position (28 February 2025: net cash position) and the aggregate balances of short-term pledged bank deposits and cash and cash equivalents exceeded the total balance of short-term borrowings by RMB1,268.3 million (28 February 2025: RMB1,454.1 million).

PLEDGE OF ASSETS

As at 31 August 2025, except for the short-term pledged bank deposits of RMB2,630.2 million, no assets were pledged as security for banking facilities available to the Group.

CONTINGENT LIABILITIES

As at 31 August 2025, the Group had no material contingent liabilities.

SIGNIFICANT INVESTMENTS HELD

Saved as disclosed in this report, the Group did not hold any significant investments for the six months ended 31 August 2025.

FURTHER PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Saved as disclosed in this report, the Group did not have any plans for material investments and capital assets as at 31 August 2025.

MATERIAL ACQUISITIONS AND DISPOSALS

For the six months ended 31 August 2025, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures.

HUMAN RESOURCES

As at 31 August 2025, the Group had a total of 24,273 employees (28 February 2025: 27,279 employees). For the six months ended 31 August 2025, total staff costs were RMB1,291.3 million (six months ended 31 August 2024: RMB1,361.5 million), accounting for 10.5% (six months ended 31 August 2024: 10.4%) of the revenue of the Group. The Group offers a competitive remuneration package to its employees, including mandatory retirement funds, insurance and medical coverage. In addition, discretionary bonus may be granted to eligible employees based on the Group's and individual's performance. The Group also allocated resources for providing continuing education and training for management and employees so as to improve their skills and knowledge.

FOREIGN EXCHANGE RISK

The Group mainly operates in Mainland China with most of its transactions originally denominated and settled in RMB. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the Group's functional currency. The Group is exposed to foreign exchange risk from fluctuation of various currencies, primarily with respect to Hong Kong dollars mainly for its payments of dividends to shareholders.

The Group manages its foreign exchange risk by performing regular reviews of its net foreign exchange exposures and may enter into certain forward foreign exchange contracts, when necessary, to manage its exposure against Hong Kong dollars and to mitigate the impact on exchange rate fluctuations. During the period under review, the Group did not enter into any forward foreign exchange contracts.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The board of directors of the Company (the “Board”) has resolved to declare an interim dividend of RMB13.00 cents per ordinary share (the “Interim Dividend”), totaling RMB806.2 million for the six months ended 31 August 2025.

The Interim Dividend will be paid on or about Thursday, 18 December 2025 to shareholders whose names appear on the register of members of the Company on Friday, 5 December 2025.

The actual exchange rate for the purpose of Interim Dividend payment in Hong Kong dollars is the offshore exchange rate (Buying TT) of RMB against Hong Kong dollars (RMB1.00 = HK\$1.0779) as quoted by the Hong Kong Association of Banks on Wednesday, 22 October 2025, being the date on which the Interim Dividend is declared by the Board. Accordingly, the amount of the Interim Dividend is HK\$14.01 cents per ordinary share.

The Board is of the view that the Company will be able to pay its debts as they fall due in its ordinary course of business immediately following the payment of the Interim Dividend and the declaration of the Interim Dividend will not have an adverse impact on the business of the Company.

CLOSURE OF REGISTER OF MEMBERS

The Interim Dividend will be payable on or about Thursday, 18 December 2025 to the shareholders whose names appear on the register of members of the Company on Friday, 5 December 2025. For the purpose of ascertaining shareholder’s eligibility for the Interim Dividend, the register of members of the Company will be closed from Wednesday, 3 December 2025 to Friday, 5 December 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the above mentioned Interim Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, for registration by no later than 4:30 p.m. on Tuesday, 2 December 2025.

The address of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

Saved as disclosed above, there are no other significant events subsequent to 31 August 2025 which would materially affect the Group’s operating and financial performance as of the date of this report.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF TOPSPORTS INTERNATIONAL HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 20 to 38, which comprises the condensed consolidated balance sheet of Topsports International Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 31 August 2025 and the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 22 October 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31 August 2025

		Unaudited Six months ended 31 August	
		2025	2024
	Note	RMB million	RMB million
Revenue	6	12,298.6	13,054.7
Cost of sales	8	(7,261.2)	(7,692.3)
Gross profit		5,037.4	5,362.4
Selling and distribution expenses	8	(3,575.4)	(3,821.9)
General and administrative expenses	8	(505.5)	(495.0)
Provision for impairment of trade receivables	17	(1.7)	(1.8)
Other income	7	39.0	77.2
Operating profit		993.8	1,120.9
Finance income		43.3	46.8
Finance costs		(52.1)	(59.3)
Finance costs, net	9	(8.8)	(12.5)
Profit before income tax		985.0	1,108.4
Income tax expense	10	(197.0)	(234.6)
Profit for the period		788.0	873.8
Attributable to:			
Equity holders of the Company		789.1	873.8
Non-controlling interests		(1.1)	–
		788.0	873.8
Earnings per share for profit attributable to equity holders of the Company during the period		RMB cents	RMB cents
Basic and diluted earnings per share	11	12.72	14.09

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 August 2025

	Unaudited	
	Six months ended 31 August	
	2025	2024
	RMB million	RMB million
Profit for the period	788.0	873.8
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Exchange differences	–	(0.2)
Items that may be subsequently reclassified to profit or loss:		
Exchange differences	(5.2)	22.6
Total comprehensive income for the period	782.8	896.2
Attributable to:		
Equity holders of the Company	783.9	896.2
Non-controlling interests	(1.1)	–
	782.8	896.2

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 August 2025

		Unaudited As at 31 August 2025 RMB million	Audited As at 28 February 2025 RMB million
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	13	474.2	541.4
Right-of-use assets	14(a)	1,684.5	1,818.5
Intangible assets	13	1,038.5	1,045.8
Long-term deposits, prepayments and other receivables	15	183.2	207.3
Financial asset at fair value through profit or loss		45.9	45.9
Deferred income tax assets		269.9	257.2
		3,696.2	3,916.1
Current assets			
Inventories	16	5,833.9	6,004.0
Trade receivables	17	934.9	751.9
Deposits, prepayments and other receivables	15	737.1	646.4
Short-term pledged bank deposits	18	2,630.2	996.7
Cash and cash equivalents	18	2,538.1	2,587.4
		12,674.2	10,986.4
Total assets		16,370.4	14,902.5
LIABILITIES			
Non-current liabilities			
Lease liabilities	14(b)	760.2	1,121.4
Deferred income tax liabilities		248.6	226.0
		1,008.8	1,347.4
Current liabilities			
Trade payables	19	304.5	343.4
Other payables, accruals and other liabilities		736.7	941.0
Short-term borrowings	20	3,900.0	2,130.0
Lease liabilities	14(b)	1,062.3	813.5
Current income tax liabilities		384.4	268.2
		6,387.9	4,496.1
Total liabilities		7,396.7	5,843.5
Net assets		8,973.7	9,059.0

CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 August 2025

	Note	Unaudited As at 31 August 2025 RMB million	Audited As at 28 February 2025 RMB million
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	21	—	—
Other reserves	22	1,894.0	1,886.5
Retained earnings		7,080.6	7,172.3
		8,974.6	9,058.8
Non-controlling interests		(0.9)	0.2
		8,973.7	9,059.0
Total equity			

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

The condensed consolidated interim financial information on pages 20 to 38 were approved by the Board of Directors on 22 October 2025 and were signed on its behalf by:

YU Wu
Director

LEUNG Kam Kwan
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 August 2025

	Unaudited					
	Attributable to equity holders of the Company				Non-controlling interests	Total equity
	Share capital RMB million (Note 21)	Other reserves RMB million (Note 22)	Retained earnings RMB million	Total RMB million	RMB million	RMB million
For the six months ended 31 August 2025						
At 1 March 2025	–	1,886.5	7,172.3	9,058.8	0.2	9,059.0
Comprehensive income:						
Profit for the period	–	–	789.1	789.1	(1.1)	788.0
Other comprehensive income:						
Exchange difference	–	(5.2)	–	(5.2)	–	(5.2)
Total comprehensive income for the period	–	(5.2)	789.1	783.9	(1.1)	782.8
Transactions with equity holders						
Appropriation to statutory reserves	–	12.7	(12.7)	–	–	–
Dividends (Note 12(b))	–	–	(868.1)	(868.1)	–	(868.1)
Total transactions with equity holders	–	12.7	(880.8)	(868.1)	–	(868.1)
At 31 August 2025	–	1,894.0	7,080.6	8,974.6	(0.9)	8,973.7
For the six months ended 31 August 2024						
At 1 March 2024	–	1,804.9	8,044.0	9,848.9	1.5	9,850.4
Comprehensive income:						
Profit for the period	–	–	873.8	873.8	–	873.8
Other comprehensive income:						
Exchange difference	–	22.4	–	22.4	–	22.4
Total comprehensive income for the period	–	22.4	873.8	896.2	–	896.2
Transactions with equity holders						
Appropriation to statutory reserves	–	11.7	(11.7)	–	–	–
Dividends (Note 12(d))	–	–	(1,240.3)	(1,240.3)	–	(1,240.3)
Total transactions with equity holders	–	11.7	(1,252.0)	(1,240.3)	–	(1,240.3)
At 31 August 2024	–	1,839.0	7,665.8	9,504.8	1.5	9,506.3

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 August 2025

	Unaudited Six months ended 31 August	
	2025	2024
	RMB million	RMB million
Cash flows from operating activities		
Net cash generated from operations	1,425.6	2,702.9
Income tax paid	(70.9)	(89.4)
Net cash generated from operating activities	1,354.7	2,613.5
Cash flows from investing activities		
Payments for purchases of property, plant and equipment and intangible assets	(125.1)	(157.3)
Proceeds from disposals of property, plant and equipment	1.4	0.7
Placement of other bank deposits	(9,950.0)	(3,150.0)
Withdrawal of other bank deposits	9,950.0	3,150.0
Interest received	33.4	46.2
Net cash used in investing activities	(90.3)	(110.4)
Cash flows from financing activities		
Proceeds from short-term borrowings	3,900.0	950.0
Repayments of short-term borrowings	(2,130.0)	(720.1)
Placement of short-term pledged bank deposits	(2,630.2)	(150.0)
Withdrawal of short-term pledged bank deposits	996.7	126.1
Payments for lease liabilities (including interest)	(570.7)	(575.7)
Interest paid for bank borrowings	(11.4)	(9.5)
Dividends paid	(868.1)	(1,240.3)
Net cash used in financing activities	(1,313.7)	(1,619.5)
Net (decrease)/increase in cash and cash equivalents	(49.3)	883.6
Cash and cash equivalents at beginning of the period	2,587.4	1,956.0
Cash and cash equivalents at end of the period	2,538.1	2,839.6

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 General information

Topsports International Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) are principally engaged in the sales of sportswear products and leasing commercial spaces to other retailers for concessionaire sales in the People’s Republic of China (the “PRC”). The address of the Company’s registered office is P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Company was incorporated in the Cayman Islands on 5 September 2018 as an exempted company with limited liability under the Companies Law (2018 Revision) of the Cayman Islands, Cap.22, (Law 3 of 1961), as amended or supplemented or otherwise modified from time to time. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 10 October 2019. As at 31 August 2025, no party holds more than 50% equity interest in the Company.

The condensed consolidated interim financial information is presented in Renminbi (“RMB”) and all amounts are rounded to the nearest 0.1 million (“RMB0.1 million”) except when otherwise indicated.

The condensed consolidated interim financial information for the six months ended 31 August 2025 is unaudited and has been reviewed by the external auditor of the Company.

2 Basis of preparation and accounting policies

The condensed consolidated interim financial information for the six months ended 31 August 2025 has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” and should be read in conjunction with the consolidated financial statements for the year ended 28 February 2025, which have been prepared in accordance with IFRS Accounting Standards.

The accounting policies used in the preparation of this condensed consolidated interim financial information are consistent with those used in the annual consolidated financial statements for the year ended 28 February 2025, except as mentioned below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) Amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 March 2025:

Amendments to IAS 21

Lack of Exchangeability

The adoption of the above amendment to standard had no significant impact on the Group’s financial performance and position.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

2 Basis of preparation and accounting policies (Continued)

(b) New standards and amendments to standards that have been issued but are not yet effective

A number of new standards, amendments to existing standards have been published that are not mandatory for reporting period beginning 1 March 2025 and have not been early adopted by the Group:

Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments ⁽¹⁾
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ⁽¹⁾
IFRS 18	Presentation and Disclosure in Financial Statements ⁽²⁾
IFRS 19	Subsidiaries without Public Accountability: Disclosures ⁽²⁾
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽³⁾

⁽¹⁾ Effective for the Group for annual period beginning on 1 March 2026.

⁽²⁾ Effective for the Group for annual period beginning on 1 March 2027.

⁽³⁾ Effective date to be determined.

The Board of Directors has performed an assessment on these new and amended standards and has concluded on a preliminary basis that the adoption of these new and amended standards is not expected to have a significant impact on the Group's financial performance and position.

3 Critical accounting estimates and judgments

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those applied to the consolidated financial statements for the year ended 28 February 2025.

4 Financial risk management and financial instruments

4.1 Financial risk factors

This condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 28 February 2025.

There have been no material changes in the risk management policies since 28 February 2025.

4.2 Fair value estimation

As at 31 August 2025 and 28 February 2025, financial asset at fair value through profit or loss of RMB45.9 million represents investment in an unlisted company. The fair value of the Group's financial asset designated at fair value through profit or loss is determined based on the recent transaction price (level 3). There was no transfer between levels 1, 2 and 3 during the six months ended 31 August 2025.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 Segment information

The Group is principally engaged in sales of sportswear products and leasing commercial spaces to other retailers for concessionaire sales.

The chief operating decision-maker (the “CODM”) has been identified as the executive directors and senior management of the Company. CODM reviews the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on the internal reports provided for review by the CODM. The CODM assesses the performance of the Group’s business activities as a whole on a regular basis and the directors of the Company consider that the Group has only one reportable segment. Accordingly, no segment information is presented.

Substantially all of the Group’s revenues are derived from external customers located in the PRC.

As at 31 August 2025 and 28 February 2025, substantially all of the non-current assets of the Group were located in the PRC.

6 Revenue

	Six months ended 31 August	
	2025 RMB million	2024 RMB million
Sale of goods	12,223.6	12,960.1
Concessionaire fee income	62.1	73.2
Others	12.9	21.4
	12,298.6	13,054.7

7 Other income

	Six months ended 31 August	
	2025 RMB million	2024 RMB million
Government incentives (note)	39.0	77.1
Others	–	0.1
	39.0	77.2

Note: Government incentives comprise subsidies received from various local governments in the PRC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

8 Expenses by nature

	Six months ended 31 August	
	2025 RMB million	2024 RMB million
Cost of inventories recognized as expenses included in cost of sales	7,161.1	7,601.7
Staff costs	1,291.3	1,361.5
Lease expenses	991.3	1,089.1
Depreciation on right-of-use assets (Note 14(a))	378.1	468.6
Depreciation on property, plant and equipment (Note 13)	193.0	233.0
Amortization of intangible assets (Note 13)	8.5	9.7
Loss/(gain) on disposal of right-of-use assets (included in selling and distribution expenses)	43.3	(41.9)
Write-off of property, plant and equipment	1.0	0.6
Net impairment of inventories recognized as expenses included in cost of sales (Note 16)	100.1	90.6
Impairment on right-of-use assets (included in selling and distribution expenses) (Note 14(a))	133.7	118.9
Provision for impairment on property, plant and equipment (Note 13)	3.4	18.4
Other tax expenses	36.5	30.8
Others	1,000.8	1,028.2
Total cost of sales, selling and distribution expenses and general and administrative expenses	11,342.1	12,009.2

9 Finance costs, net

	Six months ended 31 August	
	2025 RMB million	2024 RMB million
Interest income from bank deposits	43.3	46.8
Finance income	43.3	46.8
Interest expense on bank borrowings	(14.9)	(8.5)
Interest expense on lease liabilities (Note 14(b))	(37.2)	(50.8)
Finance costs	(52.1)	(59.3)
Finance costs, net	(8.8)	(12.5)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

10 Income tax expense

	Six months ended 31 August	
	2025 RMB million	2024 RMB million
Current income tax – PRC corporate income tax		
– Current period	173.0	225.1
– (Over)/under-provision in prior years	(4.6)	25.8
– Withholding tax	18.7	12.5
Deferred income taxes	9.9	(28.8)
	197.0	234.6

Income tax expense has been provided for at the tax rates prevailing in the tax jurisdictions in which the Group operates.

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. Subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% (six months ended 31 August 2024: 16.5%). No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit in Hong Kong. During the period, most of the PRC established subsidiaries of the Company are subject to the PRC corporate income tax rate of 25% (six months ended 31 August 2024: 25%) except that certain subsidiaries are subject to various preferential tax treatments.

According to applicable tax regulations prevailing in the PRC, dividends distributed by a company established in the PRC to a foreign investor are generally subject to a 10% withholding tax. If a foreign investor is incorporated in Hong Kong, under the double taxation arrangement between the Mainland China and Hong Kong, the relevant withholding tax rate applicable will be reduced from 10% to 5% subject to the fulfilment of certain conditions.

11 Earnings per share

(a) Basic

The basic earnings per share is calculated by dividing profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

		Six months ended 31 August	
		2025	2024
Profit for the period attributable to equity holders of the Company	RMB million	789.1	873.8
Weighted average number of ordinary shares for the purpose of basic earnings per share	thousand of shares	6,201,222	6,201,222
Basic earnings per share	RMB cents	12.72	14.09

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11 Earnings per share (Continued)

(b) Diluted

Diluted earnings per share presented is the same as the basic earnings per share as there was no potentially dilutive ordinary share during the six months ended 31 August 2025 and 2024.

12 Dividends

- (a) At a meeting held on 22 October 2025, the directors declared an interim dividend of RMB13.00 cents or equivalent to HK\$14.01 cents per ordinary share (totaling RMB806.2 million) for the year ending 28 February 2026, which was declared after the end of the reporting period and is not reflected as dividend payable in this interim financial information.
- (b) At a meeting held on 21 May 2025, the directors recommended a final dividend of RMB2.00 cents or equivalent to HK\$2.15 cents per ordinary share (totaling RMB124.0 million) and a special dividend of RMB12.00 cents or equivalent to HK\$12.88 cents per ordinary share (totaling RMB744.1 million) for the year ended 28 February 2025, which were approved by the shareholders of the Company on 18 July 2025 and paid during the six months ended 31 August 2025.
- (c) At a meeting held on 23 October 2024, the directors declared an interim dividend of RMB14.00 cents or equivalent to HK\$15.07 cents per ordinary share (totaling RMB868.2 million) for the year ended 28 February 2025, which was paid during the year ended 28 February 2025.
- (d) At a meeting held on 22 May 2024, the directors recommended a final dividend of RMB5.00 cents or equivalent to HK\$5.32 cents per ordinary share (totaling RMB310.1 million) and a special dividend of RMB15.00 cents or equivalent to HK\$15.97 cents per ordinary share (totaling RMB930.2 million) for the year ended 29 February 2024, which were approved by the shareholders of the Company on 19 July 2024 and paid during the six months ended 31 August 2024.

13 Property, plant and equipment and intangible assets

	Property, plant and equipment RMB million	Goodwill RMB million	Other intangible assets RMB million (note)	Total intangible assets RMB million	Total RMB million
Net book value as at 1 March 2024	638.7	1,005.5	53.9	1,059.4	1,698.1
Additions	202.6	–	4.8	4.8	207.4
Depreciation/amortization	(233.0)	–	(9.7)	(9.7)	(242.7)
Disposals/write-off	(1.3)	–	(0.1)	(0.1)	(1.4)
Impairment loss	(18.4)	–	–	–	(18.4)
Net book value as at 31 August 2024	588.6	1,005.5	48.9	1,054.4	1,643.0
Net book value as at 1 March 2025	541.4	1,005.5	40.3	1,045.8	1,587.2
Additions	131.5	–	1.2	1.2	132.7
Depreciation/amortization	(193.0)	–	(8.5)	(8.5)	(201.5)
Disposals/write-off	(2.3)	–	–	–	(2.3)
Impairment loss	(3.4)	–	–	–	(3.4)
Net book value as at 31 August 2025	474.2	1,005.5	33.0	1,038.5	1,512.7

Note: Other intangible assets mainly include distribution and licenses contracts and e-Sports licenses and contracts.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

14 Lease

(a) Right-of-use assets

	Six months ended 31 August	
	2025 RMB million	2024 RMB million
As at 1 March	1,818.5	1,821.4
Inception of lease contracts (Note 23(b))	447.1	641.1
Depreciation (Note 8)	(378.1)	(468.6)
Termination and remeasurement	(69.3)	(61.7)
Impairment (Note 8)	(133.7)	(118.9)
As at 31 August	1,684.5	1,813.3

The Group obtains rights to control the use of various retail outlets and other properties for a period of time through lease arrangements. Lease arrangements are negotiated on an individual basis and contain a wide range of different terms and conditions including lease payments and lease terms ranging from 1 to 10 years.

Some of the property leases in which the Group is the lessee contain variable lease payment terms that are linked to sales generated from the leased stores. Variable payment terms are used to link lease payments to store cash flows and reduce fixed cost.

The Group's lease expenses (see Note 8) are primarily for variable lease payments; expenses relating to short-term leases are relatively insignificant (also see note (c) below). The Group's right-of-use assets included a number of the lease arrangements that carried fixed payments plus variable payments and their respective variable payments portion are generally insignificant. The Group expects this pattern to remain stable in future years.

(b) Lease liabilities

	Six months ended 31 August	
	2025 RMB million	2024 RMB million
As at 1 March	1,934.9	1,988.1
Inception of lease contracts	447.1	641.1
Interest expense on lease liabilities (Note 9)	37.2	50.8
Payment for lease liabilities (including interest)	(570.7)	(575.7)
Termination and remeasurement	(26.0)	(103.6)
As at 31 August	1,822.5	2,000.7

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

14 Lease (Continued)

(b) Lease liabilities (Continued)

Maturity analysis of lease liabilities is as follows:

	As at 31 August 2025 RMB million	As at 28 February 2025 RMB million
Not later than 1 year	1,062.3	813.5
Later than 1 year and not later than 5 years	755.8	1,108.1
Later than 5 years	4.4	13.3
	1,822.5	1,934.9

(c) Short-term leases and not yet commenced leases

As at 31 August 2025 and 28 February 2025, the total future lease payments for short-term leases amounted to RMB188.0 million and RMB241.8 million respectively. As at 31 August 2025 and 28 February 2025, leases committed but not yet commenced are insignificant.

15 Deposits, prepayments and other receivables

	As at 31 August 2025 RMB million	As at 28 February 2025 RMB million
Non-current		
Rental deposits	182.7	202.7
Prepayments for capital expenditures	0.5	4.6
	183.2	207.3
Current		
Rental deposits	255.2	266.2
Value-added tax recoverable	124.4	154.2
Prepayments for purchase	149.8	62.7
Other receivables and prepayments	207.7	163.3
	737.1	646.4

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

16 Inventories

	As at 31 August 2025 RMB million	As at 28 February 2025 RMB million
Merchandise for sale	6,152.6	6,222.6
Less: provision for impairment losses	(318.7)	(218.6)
	5,833.9	6,004.0

The cost of inventories amounting to RMB7,161.1 million (six months ended 31 August 2024: RMB7,601.7 million) and the changes in provision for impairment of inventories amounting to RMB100.1 million (six months ended 31 August 2024: RMB90.6 million) were included in cost of sales during the period ended 31 August 2025.

17 Trade receivables

	As at 31 August 2025 RMB million	As at 28 February 2025 RMB million
Trade receivables	943.3	758.6
Loss allowance	(8.4)	(6.7)
	934.9	751.9

The Group's concessionaire sales through department stores and sales through e-commerce platforms are generally collectible within 30 days and 15 days from the invoice date respectively. As at 31 August 2025, the aging analysis of trade receivables, based on invoice date, is as follows:

	As at 31 August 2025 RMB million	As at 28 February 2025 RMB million
0 to 30 days	919.4	730.8
31 to 60 days	6.3	9.6
61 to 90 days	2.6	7.0
Over 90 days	15.0	11.2
	943.3	758.6
Loss allowance	(8.4)	(6.7)
	934.9	751.9

The carrying amounts of trade receivables approximate their fair values and are denominated in RMB.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

17 Trade receivables (Continued)

Movements on the Group's loss allowance for trade receivables are as follows:

	Six months ended 31 August	
	2025	2024
	RMB million	RMB million
As at 1 March	6.7	5.1
Provision for impairment of trade receivables	1.7	1.8
As at 31 August	8.4	6.9

18 Bank deposits and cash and cash equivalents

	As at 31 August 2025 RMB million	As at 28 February 2025 RMB million
Short-term pledged bank deposits (note (a))	2,630.2	996.7
Cash and cash equivalents: Bank balances and cash	2,538.1	2,587.4
Total bank deposits and cash and cash equivalents	5,168.3	3,584.1
Denominated in the following currencies:		
RMB	4,690.6	2,595.3
HK\$	477.7	988.8
	5,168.3	3,584.1

Notes:

- (a) As at 31 August 2025, bank deposits of RMB2,630.2 million (28 February 2025: RMB996.7 million) were pledged to bank against short-term borrowings of RMB3,900.0 million (28 February 2025: RMB1,730.0 million) (Note 20). The short-term pledged bank deposits were denominated in RMB and carried interest at weighted average interest rate of 1.4% (28 February 2025: 1.7%) per annum. The carrying amounts of these deposits approximate their fair values.
- (b) Cash at banks earns interest at floating rates based on daily bank deposit rates. The conversion of the RMB denominated balances maintained in the PRC into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

19 Trade payables

The credit periods granted by suppliers generally range from 0 to 60 days. As at 31 August 2025, the aging analysis of trade payables, based on invoice date, is as follows:

	As at 31 August 2025 RMB million	As at 28 February 2025 RMB million
0 to 30 days	300.8	339.1
31 to 60 days	1.5	3.5
Over 60 days	2.2	0.8
	304.5	343.4

The carrying amounts of trade payables are denominated in RMB. The carrying amounts approximate their fair values due to their short-term nature.

20 Short-term borrowings

	As at 31 August 2025 RMB million	As at 28 February 2025 RMB million
Unsecured bank borrowings (note (a))	–	400.0
Secured bank borrowings (note (b))	3,900.0	1,730.0
	3,900.0	2,130.0

Note:

- (a) As at 28 February 2025, the Group's unsecured bank borrowings carried interest at fixed rates with weighted average interest rate of 1.2% per annum. The carrying amounts of the Group's short-term borrowings are denominated in RMB which approximate their fair values.
- (b) As at 31 August 2025, borrowings of RMB3,900.0 million (28 February 2025: RMB1,730.0 million) were secured by the short-term pledged bank deposits of RMB2,630.2 million (28 February 2025: RMB996.7 million) as detailed in Note 18. The carrying amount is denominated in RMB which approximates its fair value. The borrowings carried interest at fixed rates with weighted average interest rate of 1.2% (28 February 2025: 1.2%) per annum.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

21 Share capital

	Number of ordinary shares	Nominal value of ordinary shares
Authorized:		
As at 1 March 2024, 28 February 2025, 1 March 2025 and 31 August 2025	20,000,000,000	HK\$20,000
Issued and fully paid:		
As at 1 March 2024, 28 February 2025, 1 March 2025 and 31 August 2025	6,201,222,024	HK\$6,201

22 Other reserves

	Share premium RMB million	Capital reserve RMB million	Exchange reserve RMB million	Statutory reserve RMB million	Total RMB million
At 1 March 2024	19,326.1	(18,437.6)	107.7	808.7	1,804.9
Exchange difference	–	–	22.4	–	22.4
Appropriation to statutory reserves	–	–	–	11.7	11.7
At 31 August 2024	19,326.1	(18,437.6)	130.1	820.4	1,839.0
At 1 March 2025	19,326.1	(18,437.6)	140.1	857.9	1,886.5
Exchange difference	–	–	(5.2)	–	(5.2)
Appropriation to statutory reserves	–	–	–	12.7	12.7
At 31 August 2025	19,326.1	(18,437.6)	134.9	870.6	1,894.0

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

23 Related party transactions

The following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties and the balances arising from related party transactions in addition to the related party information shown elsewhere in this condensed consolidated interim financial information:

Transactions for the period

	Six months ended 31 August	
	2025	2024
	RMB million	RMB million
Transactions with companies controlled by Belle International Holdings Limited ("Belle International") (note (a))		
– Service income received	–	0.1
– Logistics services fees paid	240.5	217.3
– Payments in relation of lease agreements (note (b))	11.4	12.6
Key management compensation		
– Salaries, bonuses and other welfare (note (c))	4.9	5.0

Notes:

- (a) Belle International is regarded as a related party of the Group by the Company's directors as it is an associate of the Company's substantial shareholders, Hillhouse HHBH Holdings Limited and Wisdom Man Ventures Limited. The executive director of the Company, Mr. Yu Wu, and Non-executive directors of the Company, Mr. Sheng Fang, are also the directors of the related company.

Transactions with related companies are carried out based on terms mutually agreed between the relevant parties.

- (b) During the six months ended 31 August 2025, the Group entered into certain long-term leases of office premises with Belle International. Right-of-use assets and lease liabilities were recognised during the six months ended 31 August 2025 in relation to these long-term leases.
- (c) Key management includes directors and certain executives who have important roles in making operational and financial decisions.

24 Subsequent events

There were no material subsequent events during the period from 1 September 2025 to the approval date of this interim financial information.

GENERAL INFORMATION

DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 August 2025, none of Directors or chief executive of the Company held any interests and short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, under Section 352 of the SFO, to be entered in the register referred to in that section, or which were required to be notified to the Company and the Stock Exchange, under the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules.

None of the Directors or chief executive of the Company or any of their respective spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company, or any of its holding company, subsidiaries or other associated corporations, as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code.

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

As at 31 August 2025, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in shares or underlying shares (within the meaning of Part XV of the SFO) of the Company which were notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO:

GENERAL INFORMATION

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

Name of shareholder	Capacity/Nature of interest	Number of shares	Approximate percentage of interests in our Company ⁽¹⁾
HHBH Investment, L.P. ⁽²⁾	Interest in controlled corporation	2,163,605,107	34.89%
Hillhouse Capital Management, Ltd. ⁽²⁾	Interest in controlled corporation	2,163,605,107	34.89%
Hillhouse HHBH Holdings Limited ("Hillhouse HHBH") ⁽²⁾	Beneficial Owner	2,163,605,107	34.89%
Hillhouse HHBH Limited ⁽²⁾	Interest in controlled corporation	2,163,605,107	34.89%
Wisdom Man Ventures Limited ("WMVL")	Beneficial Owner	1,254,616,510	20.23%
TMF (Cayman) Ltd. ("TMF") ⁽³⁾	Trustee	426,436,356	6.88%

Notes:

- (1) As at 31 August 2025, the total number of issued shares of the Company was 6,201,222,024.
- (2) According to the corporate substantial shareholder notice last filed by Hillhouse HHBH and its affiliates, Hillhouse HHBH is wholly-owned by Hillhouse HHBH Limited, which is wholly-owned by HHBH Investment, L.P. and the investment manager of HHBH Investment, L.P. is Hillhouse Capital Management, Ltd.
- (3) According to the corporate substantial shareholder notice last filed by TMF, TMF is the trustee of the Generous Trust, the Trade Vantage Trust, the State Win Trust, the Sulla Trust, the Supreme Talent Trust, the Speedy Global Trust, the Sea Wisdom Trust, the Sky Beauty Trust, the Keen Source Trust and the Sola Fortune Trust and TMF was deemed to be interested in an aggregate of 426,436,356 shares in its capacity as the trustee of these trusts.

Save as disclosed herein, as at 31 August 2025, the Directors are not aware of any other persons (not being a Director or chief executive of the Company) who had or was deemed to have any interests or short positions in the shares or underlying shares which was required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

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

During the period under review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CHANGE IN DIRECTORS' INFORMATION

Save as disclosed otherwise in this interim report, no change in the biographical details of the Directors that is required to be disclosed pursuant under Rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of the Hong Kong Limited (the "Listing Rules").

GENERAL INFORMATION

CORPORATE GOVERNANCE

The Company's corporate governance practices are based on the principles and code provisions of the Corporate Governance Code, as set out in Appendix C1 to the Listing Rules (the "CG Code"), and the Company has adopted the CG Code as its own corporate governance code.

During the six months ended 31 August 2025, the Company has complied with all applicable code provisions as set out in the CG Code, save for code provision C.2.1 of the CG Code.

Code provision C.2.1 of the CG Code states that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Yu Wu has assumed the role of chairman of the Company in addition to his role as the chief executive officer of the Company. Considering the present composition of the Board and Mr. Yu's extensive experience in the footwear and sportswear businesses, the Board is of the view that vesting the roles of both chairman and chief executive in Mr. Yu provides the Group with continuous leadership and effective implementation of long term business strategies. As all major decisions are made in consultation with members of the Board and relevant Board committees, and there are independent non-executive Directors on the Board offering independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board to protect the interests of the Company and its shareholders.

The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct for Directors' securities transactions. After having made specific enquiries, each Director has confirmed that he/she has complied with the requirements of the Model Code for the period from 1 March 2025 to 31 August 2025.

CONTINUING DISCLOSURE REQUIREMENTS PURSUANT TO THE LISTING RULES

Our Directors have confirmed that, as of 31 August 2025, the continuing disclosure requirements of the Listing Rules were complied with.

AUDIT COMMITTEE

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, review the financial information of the Group and consider issues in relation to the external auditors and their appointment.

The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. LAM Yiu Kin, Mr. HUA Bin and Mr. HUANG Victor. The chairman of the Audit Committee is Mr. LAM Yiu Kin, who has a professional qualification in accountancy.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters, including a review of the interim financial information for the six months ended 31 August 2025.

GENERAL INFORMATION

REMUNERATION COMMITTEE

The Remuneration Committee has three members comprising Mr. HUA Bin, Mr. YU Wu and Mr. LAM Yiu Kin, two of whom are Independent Non-executive Directors. The chairman of the Remuneration Committee is Mr. HUA Bin.

The primary responsibilities of the Remuneration Committee include (but without limitation):

- making recommendations to the Board on the remuneration policy and structure for Directors and senior management and on the establishment of a formal and transparent procedure for developing such policies;
- making recommendations to the Board on the terms of specific remuneration package of the Directors and senior management; and
- reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time.

The emoluments of Directors are determined by reference to the skills, experiences, responsibilities, employment conditions and time commitment in the Group's affairs and performance of each Director as well as salaries paid by comparable companies and the prevailing market conditions.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

NOMINATION COMMITTEE

The primary duties of the Nomination Committee are to identify, screen and recommend to the Board appropriate candidates to serve as the directors of the Company, oversee the process for evaluating the performance of the Board, review the structure, size and composition of the Board and assess the independence of the Independent Non-executive Directors. In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence, time commitment and other relevant criteria necessary to complement the corporate strategy and achieve the Board diversity, where appropriate, before making recommendation to the Board.

The Nomination Committee has three members comprising Mr. HUANG Victor, Mr. YU Wu and Mr. LAM Yiu Kin, two of whom are Independent Non-executive Directors. The chairman of the Nomination Committee is Mr. HUANG Victor.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed minimum public float under the Listing Rules.