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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 29 FEBRUARY 2020

FINANCIAL HIGHLIGHTS

		Year ended	
		29 February 2020	28 February 2019
Revenue	RMB million	**33,690.2**	32,564.4
Gross profit	RMB million	**14,187.5**	13,607.3
Operating profit	RMB million	**3,302.9**	3,236.8
Profit attributable to the Company's equity holders	RMB million	**2,303.4**	2,199.8
Non-IFRS Measure – Adjusted operating profit (1)	RMB million	**3,390.3**	3,282.4
Non-IFRS Measure – Adjusted profit attributable to the Company's equity holders (1)	RMB million	**2,381.9**	2,236.5
Gross profit margin	%	**42.1**	41.8
Operating profit margin	%	**9.8**	9.9
Profit margin attributable to the Company's equity holders	%	**6.8**	6.8
Non-IFRS Measure – Adjusted operating profit margin	%	**10.1**	10.1
Non-IFRS Measure – Adjusted profit margin attributable to the Company's equity holders	%	**7.1**	6.9
Earnings per share – basic and diluted (2)	RMB cents	**40.88**	41.73
Adjusted earnings per share, for illustrative purpose (2)	RMB cents	**37.14**	35.47
Dividend per share			
- interim	RMB cents	**12.00**	N/A
- final, proposed	RMB cents	**7.00**	N/A

Notes:

(1) *Our adjusted operating profit and adjusted profit attributable to the Company's equity holders are not calculated in accordance with IFRS, and they are considered as non-IFRS financial measures. The adjusted operating profit and adjusted profit attributable to the Company's equity holders are adjusted by adding back the effect of listing expenses and the amortization of our intangible assets arising from business combination. We believe that this information is useful for investors in comparing our performance without regard to items that do not affect our ongoing operating performance or cash flow, and it allows investors to consider metrics used by our management in evaluating our performance. Investors should not consider our non-IFRS financial measures a substitute for or superior to our IFRS results.*

(2) *Basic earnings per share is calculated by dividing profit attributable to the Company's equity holders of RMB2,303.4 million for the year ended 29 February 2020 (2019: RMB2,199.8 million) by the weighted average number of ordinary shares of the Company in issue of 5,634,470,570 shares (2019: 5,271,038,024 shares). The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share has been retrospectively adjusted for the effect of the Capitalization Issue (as defined in the prospectus of the Company dated 26 September 2019 (the "Prospectus"). 930,184,000 new shares issued pursuant to the Global offering of the Company was only accounted for in the calculation of the basic and diluted earnings per share from 10 October 2019. For illustrative purpose and provide with more relevant information for investors, the adjusted earnings per shares is calculated by dividing profit attributable to the Company's equity holders by the weighted average number of ordinary shares in issue as stated above and adjusted for as if these new shares been issued throughout the years presented.*

ANNUAL RESULTS

The board of directors (the "**Board**" or "**Directors**") of Topsports International Holdings Limited (the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 29 February 2020, together with comparative information , as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 29 FEBRUARY 2020

		Year ended	
		29 February 2020	28 February 2019
	Note	***RMB million***	*RMB million*
Revenue	4	**33,690.2**	32,564.4
Cost of sales	6	**(19,502.7)**	(18,957.1)
Gross profit		**14,187.5**	13,607.3
Selling and distribution expenses	6	**(9,643.8)**	(9,247.5)
General and administrative expenses	6	**(1,412.8)**	(1,293.2)
Impairment of trade receivables	6	**(19.1)**	(33.7)
Other income	5	**191.1**	203.9
Operating profit		**3,302.9**	3,236.8
Finance income		**55.3**	20.0
Finance costs		**(272.1)**	(211.5)
Finance costs, net	7	**(216.8)**	(191.5)
Profit before income tax		**3,086.1**	3,045.3
Income tax expense	8	**(782.7)**	(845.5)
Profit for the year attributable to equity holders of the Company		**2,303.4**	2,199.8
		RMB cent	*RMB cent*
Earnings per share for profit attributable to equity holders of the Company during the year			
Basic and diluted earnings per share	9	**40.88**	41.73

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 29 FEBRUARY 2020

	Year ended	
	29 February 2020	28 February 2019
	RMB million	*RMB million*
Profit for the year	**2,303.4**	2,199.8
Other comprehensive (loss)/income		
Items that may be subsequently reclassified to profit or loss		
Exchange differences	**(0.8)**	1.5
Items that will not be reclassified to profit or loss		
Exchange differences	**(40.8)**	-
	(41.6)	1.5
Total comprehensive income for the year attributable to equity holders of the Company	**2,261.8**	2,201.3

CONSOLIDATED BALANCE SHEET
AS AT 29 February 2020

		As at	
		29 February 2020	28 February 2019
	Note	***RMB million***	*RMB million*
ASSETS			
Non-current assets			
Property, plant and equipment		**1,153.8**	1,115.6
Right-of-use assets		**3,908.8**	3,451.8
Intangible assets		**1,103.3**	1,144.8
Long-term deposits, prepayments and other receivables		**255.5**	214.9
Deferred income tax assets		**237.5**	128.4
		6,658.9	6,055.5
Current assets			
Inventories	11	**6,649.0**	6,138.7
Trade receivables	12	**1,486.7**	2,517.8
Deposits, prepayments and other receivables		**822.0**	801.9
Amounts due from related companies		**-**	52.0
Pledged term deposits	14	**3,594.7**	-
Bank balances and cash		**2,823.9**	650.5
		15,376.3	10,160.9
Total assets		**22,035.2**	16,216.4

CONSOLIDATED BALANCE SHEET
AS AT 29 February 2020

	Note	As at **29 February 2020** ***RMB million***	 28 February 2019 *RMB million*
LIABILITIES			
Non-current liabilities			
Lease liabilities		**2,519.9**	2,301.1
Deferred income tax liabilities		**73.2**	127.3
		2,593.1	2,428.4
Current liabilities			
Trade payables	13	**1,105.5**	642.0
Other payables, accruals and other liabilities		**1,593.2**	1,434.9
Amounts due to related companies		**-**	3,560.2
Dividend payable	10	**1,635.3**	3,500.0
Short-term borrowings	14	**2,400.0**	1,300.0
Lease liabilities		**1,344.7**	999.8
Current income tax liabilities		**820.4**	402.3
		8,899.1	11,839.2
Total liabilities		**11,492.2**	14,267.6
Net assets		**10,543.0**	1,948.8
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**-**	-
Other reserves		**8,593.4**	1,458.0
Retained earnings		**1,949.6**	490.8
Total equity		**10,543.0**	1,948.8

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 FEBRUARY 2020

	Year ended	
	29 February 2020	28 February 2019
	RMB million	*RMB million*
Cash flows from operating activities		
Net cash generated from operations	**6,975.6**	4,091.7
Income tax paid	**(527.8)**	(945.5)
Net cash generated from operating activities	**6,447.8**	3,146.2
Cash flows from investing activities		
Payments for purchases of property, plant and equipment and intangible assets	**(711.9)**	(917.9)
Proceeds from disposals of property, plant and equipment	**9.6**	9.7
Placement of pledged term deposits under the cross-border cash pooling arrangement	**(3,594.7)**	-
Payments for acquisition of a business	**(21.4)**	(94.3)
Placement of structured bank deposits	**-**	(400.0)
Proceeds from maturity of structured bank deposits	**-**	400.0
Interest received	**21.6**	20.0
Net cash used in investing activities	**(4,296.8)**	(982.5)
Cash flows from financing activities		
Proceeds from borrowings	**800.0**	1,100.0
Proceeds from drawing as borrowings under the cross-border cash pooling arrangement	**2,000.0**	-
Repayments of borrowings	**(1,500.0)**	-
Payment for lease liabilities (including interest)	**(1,895.4)**	(1,535.1)
Net proceeds from issuance of ordinary shares	**7,075.5**	-
Transfer of non-current assets held for sale as part of the Reorganization	**-**	126.7
Repayments of balances with related companies	**(3,507.2)**	(862.1)
Interest paid for bank borrowings	**(88.3)**	(32.0)
Dividends paid to then equity holders of the Group	**(1,864.7)**	(574.3)
Dividends paid	**(744.1)**	-
Net cash generated from/(used in) financing activities	**275.8**	(1,776.8)
Net increase in cash and cash equivalents	**2,426.8**	386.9
Cash and cash equivalents at beginning of the year	**450.5**	63.6
Exchange losses on cash and cash equivalents	**(53.4)**	-
Cash and cash equivalents at end of the year	**2,823.9**	450.5
Cash and cash equivalents comprise of:		
Bank balances and cash	**2,823.9**	650.5
Bank overdrafts	**-**	(200.0)
	2,823.9	450.5

NOTES

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 (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands.

The Company completed its initial public offerings on 10 October 2019 (the "**Listing**") and the Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The consolidated financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated and have been approved for issue by the Board on 25 May 2020.

Significant event

The outbreak of the Novel Coronavirus ("COVID-19") since early 2020 has resulted in significant decrease in commercial activities in various locations the Group operates and negatively affected the Group's business operations, particular during the months January and February 2020 for the year ended 29 February 2020. The Group has implemented certain mitigating measures to contain costs, including renegotiating rents and reducing discretionary spending, and to preserve the Group's assets, including chasing collection of trade receivables and deferred stock ordering.

In preparing the consolidated financial statements, the Group has taken into the account the increased risks caused by COVID-19 on impairment of the Group's financial and non-financial assets when assessing assets impairment including trade receivables, inventories and right-of-use assets (Note 6). Management has been closely monitoring the development of the COVID-19 outbreak and considered that, save as disclosed above, there is no other matters that would result in a significant adverse impact on the Group's results and financial position as at the reporting date as result of the COVID-19.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements of the Group have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRS**") and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention.

(a) Effect of adopting new standard, amendments to standards and interpretation

All of the new standards, amendments to standards, and interpretations that are effective on 1 March 2019 have been early adopted by the Group prior to the annual periods beginning after 1 March 2019.

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

A number of new standards and amendments to standards are effective for annual periods beginning after 1 March 2019 and have not been early adopted by the Group:

Amendments to IFRS 3	Definition of a Business(1)
Amendments to IAS 1 and IAS 8	Definition of Material(1)
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting(1)
Amendments to IAS 39, IFRS 7 and IFRS 9	Hedge accounting(1)
IFRS 17	Insurance Contracts(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 2020.
(2) Effective for the Group for annual period beginning on 1 March 2021.
(3) Effective date to be determined.

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

3 SEGMENT INFORMATION

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

The directors of the Company consider that the Group has only one reportable segment. Accordingly, no segment information is presented.

All of the Group's revenues are derived from external customers located in the PRC.

As at 29 February 2020 and 28 February 2019, substantially all of the non-current assets of the Group were located in the PRC.

4 REVENUE

	Year ended	
	29 February 2020	28 February 2019
	RMB million	*RMB million*
Sale of goods	**33,393.5**	32,330.6
Concessionaire fee income	**266.3**	233.8
Others	**30.4**	-
	33,690.2	32,564.4

5 OTHER INCOME

	Year ended	
	29 February 2020	28 February 2019
	RMB million	*RMB million*
Government incentives *(note)*	**188.8**	198.3
Rental income	**-**	1.1
Others	**2.3**	4.5
	191.1	203.9

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

6 EXPENSES BY NATURE

	Year ended	
	29 February 2020	28 February 2019
	RMB million	*RMB million*
Cost of inventories recognized as expenses included in cost of sales	**19,485.2**	18,957.1
Staff costs	**3,310.5**	3,167.2
Lease expenses (mainly including concessionaire fee expenses)	**3,226.0**	3,410.1
Depreciation on right-of-use assets	**1,751.7**	1,379.4
Depreciation on property, plant and equipment	**700.8**	651.3
Amortization of intangible assets	**56.7**	40.3
Write-off of property, plant and equipment	**14.9**	14.1
Loss on disposal of property, plant and equipment	**2.8**	2.5
Impairment of inventories recognized as expenses included in cost of sales	**17.5**	-
Impairment on right-of-use assets (included in selling and distribution expenses)	**43.9**	-
Impairment of trade receivables	**19.1**	33.7
Other tax expenses	**154.7**	142.2
Auditors' remuneration	**5.2**	5.0
Listing expenses	**51.8**	10.0
Others	**1,737.6**	1,718.6
Total cost of sales, selling and distribution expenses, general and administrative expenses and impairment of trade receivables	**30,578.4**	29,531.5

7 FINANCE COSTS, NET

	Year ended	
	29 February 2020	28 February 2019
	RMB million	*RMB million*
Interest income from bank deposits	**55.3**	14.8
Interest income from structured bank deposits	**-**	5.2
Finance income	**55.3**	20.0
Interest expense on short-term bank borrowings	**(63.3)**	(32.0)
Interest expense on lease liabilities	**(208.8)**	(179.2)
Foreign exchange losses	**-**	(0.3)
Finance costs	**(272.1)**	(211.5)
Finance costs, net	**(216.8)**	(191.5)

8 INCOME TAX EXPENSE

	Year ended	
	29 February 2020	28 February 2019
	RMB million	*RMB million*
Current income tax - PRC corporate income tax		
- Current year	**803.7**	740.5
- Under-provision in prior years	**2.2**	4.8
- Withholding tax on dividends	**140.0**	1.3
Deferred income taxes	**(163.2)**	98.9
	782.7	845.5

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%. No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit in Hong Kong.

During the year, most of the PRC established subsidiaries of the Company are subject to the PRC corporate income tax rate of 25% except that certain subsidiaries are subject to preferential tax rates ranging from 15% to 20% and other 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 to the Group will be reduced from 10% to 5% subject to the fulfilment of certain conditions.

9 EARNINGS PER SHARE

(a) Basic

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

		Year ended	
		29 February 2020	28 February 2019
Profit attributable to equity holders of the Company	*RMB million*	**2,303.4**	2,199.8
Weighted average number of ordinary shares for the purpose of basic earnings per share *(note)*	*thousand of shares*	**5,634,471**	5,271,038
Basic earnings per share	*RMB cents*	**40.88**	41.73

Note: The weighted average number of ordinary shares for the purpose of basic earnings per share for the year ended 28 February 2019 has been retrospectively adjusted for the effect of the capitalization issue which took place on 10 October 2019.

(b) Diluted

Diluted earnings per share presented is the same as the basic earnings per share as there was no potentially dilutive ordinary share outstanding as at 29 February 2020 and 28 February 2019.

10 DIVIDENDS

(a) At a meeting held on 25 May 2020, the directors recommended a final dividend of RMB7.00 cents or equivalent to HK$7.51 cents per ordinary share (totaling RMB434.1 million) for the year ended 29 February 2020. This proposed dividend is not reflected as dividend payable in the financial statements, but will be reflected as an appropriation of retained earnings for the year ending 28 February 2021.

(b) At a meeting held on 23 October 2019, the directors declared an interim dividend of RMB12.0 cents or equivalent to HK$13.14 cents per ordinary share (totaling RMB744.1 million) for the year ended 29 February 2020, which was paid during the year and has been reflected as an appropriation of retained earnings for the year ended 29 February 2020.

(c) During the year ended 28 February 2019, the Company declared a dividend of RMB3,500.0 million per share, totalling RMB3,500.0 million. As at 29 February 2020, RMB1,635.3 million of such dividend (2019: RMB3,500.0 million) remained outstanding and included in the consolidated balance sheet as dividend payable.

(d) These amounts represented dividends declared by the companies now comprising the Group to the then equity holders of the companies, after elimination of intra-group dividends. The rates for dividend and the number of shares ranking for dividends are not presented as such information is not considered meaningful for the purpose of this announcement.

11 INVENTORIES

	As at **29 February 2020** *RMB million*	28 February 2019 *RMB million*
Merchandise for sale and consumables	**6,698.6**	6,170.8
Less: provision for impairment losses	**(49.6)**	(32.1)
	6,649.0	6,138.7

The cost of inventories amounting to RMB19,485.2 million (2019: RMB18,957.1 million) and the provision for obsolete inventories amounting to RMB17.5 million (2019: Nil) were included in cost of sales during the year ended 29 February 2020.

12 TRADE RECEIVABLES

	As at **29 February 2020** *RMB million*	28 February 2019 *RMB million*
Trade receivables	**1,539.5**	2,551.5
Loss allowance	**(52.8)**	(33.7)
	1,486.7	2,517.8

The Group's concessionaire sales through department stores are generally collectible within 30 days from the invoice date. As at 29 February 2020, the aging analysis of trade receivables, based on invoice date, is as follows:

	As at **29 February 2020** *RMB million*	28 February 2019 *RMB million*
0 to 30 days	**1,209.8**	2,301.8
31 to 60 days	**191.9**	101.1
61 to 90 days	**26.7**	18.8
Over 90 days	**111.1**	129.8
	1,539.5	2,551.5
Loss allowance	**(52.8)**	(33.7)
	1,486.7	2,517.8

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

13 TRADE PAYABLES

The credit periods granted by suppliers generally range from 0 to 60 days. As at 29 February 2020, the aging analysis of trade payables, based on invoice date, is as follows:

	As at	
	29 February 2020	28 February 2019
	RMB million	*RMB million*
0 to 30 days	**1,072.5**	638.5
31 to 60 days	**32.0**	3.2
Over 60 days	**1.0**	0.3
	1,105.5	642.0

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

14 PLEDGED TERM DEPOSITS AND SHORT-TERM BORROWINGS

As at 29 February 2020, pledged terms deposits of HK$4,000.0 million (equivalent to approximately RMB3,594.7 million) represented deposits placed in a bank under a cross-border cash pooling arrangement operating among certain subsidiaries within the Group. The term deposits were pledged to the bank against cash drawing as borrowings by subsidiaries of the Group under this cross-border cash pooling arrangement. As at 29 February 2020, secured borrowings of RMB 2,000.0 million were drawn under this cross-border cash pooling arrangement.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY ENVIRONMENT AND OUR BUSINESS MODEL

During the past year, the sports industry still maintained its robust growth momentum. As shown in the "Action Plan for Further Promoting Sports Consumption (2019-2020)" (《進一步促進體育消費的行動計劃（二零一九至二零二零年）》) jointly issued by the National Development and Reform Commission and the General Administration of Sport of China, national sports-related consumption habits have started to develop gradually, with a more sophisticated sports-related consumption environment as well as a more optimal demand structure. The expected total national sports consumption will reach RMB1.5 trillion by 2020, with a higher contribution by sports consumption expenditure to total consumption per capita.

As an important network of touch points for communication, feedback and interaction with our consumers, our nationally extensive, deeply penetrating directly-operated sportswear store network continue to play a crucial role to serve sports enthusiasts on daily basis. The localized, social communities and the sizeable membership base engage with our consumers through high-quality and custom, themed content and provide a diverse set of value-added membership services and benefits. We pioneered various technology capabilities to reach consumers in digital settings, expanding our engagement occasion and boundaries to broaden our consumer touch points. As such we were able to please the active sports consumer in more dimensions more than before.

However, the outbreak of the Novel Coronavirus Disease (COVID-19) (the "**Pandemic**") in early 2020 has brought the most significant challenge to the nation's retail industry in recent years and has significantly affected the operations and financial performance of the Company for the financial year ended 29 February 2020. The outbreak of Pandemic has been a test of operating capability for enterprises in terms of resilience, decision-making, organization and execution. As the situation continued to shift rapidly, we immediately launched an emergency response initiative and created a command system to optimize resource allocation while emphasizing cash flow management and strict expense control. At present, the dynamic evolution of the Pandemic makes it difficult for us to precisely estimate its impact on the Company's operations. However, we remain confident in the overall development of China's sports market in the long term. We look forward to leverage our own advantages of a directly-operated store network, as well as agile and efficient merchandise management capabilities, in order to provide excellent consumer services and experience at scale with speed and accuracy.

BUSINESS REVIEW

Looking back on the financial year ended 29 February 2020, we have been constantly expanding and optimizing our physical store network, focusing on the development of our membership system at scale, seeking further breakthrough in our existing markets while exploring business opportunities in adjacent markets. The outbreak of COVID-19 has made us even more aware of the diversity of consumption settings in the current retail environment and the necessity to seamlessly integrate various consumer touch points across settings. We aim to provide higher quality, more customized service experience to Chinese sports enthusiasts and consumers at scale.

1. Directly-operated Retail Network Optimization

We constantly focus on the optimization of our directly-operated retail store network and have been closing low-productivity and loss-making stores, with the aim to further strengthen our retail network. We recorded a net increase of 52 stores with gross selling area increasing by 10.6% for the financial year ended 29 February 2020 as compared with the prior year. We directly operate 8,395 stores in nearly 300 cities across the country as of 29 February 2020.

While prudently opening new stores, we have proactively upgraded the stores with proven higher sales potential. These stores have served our consumers in different cities across the country with upgraded store image and unique experiential services to create and enhance shopping experiences through high quality interactions.

Changes in the number of our stores during the year:

	As of 28 / 29 February			
	2017	**2018**	**2019**	**2020**
Number of stores				
At the beginning of the year	6,984	7,605	8,302	8,343
Opening of new stores	1,438	1,639	1,415	1,416
Closure of stores	(817)	(942)	(1,374)	(1,364)
Net increase in the number of stores	621	697	41	52
At the end of the year	7,605	8,302	8,343	8,395

Numbers and percentages of our stores by size:

	As of 28 / 29 February							
	2017		**2018**		**2019**		**2020**	
		%		%		%		%
Store size:								
150 sq.m or smaller	5,918	77.8%	6,268	75.5%	5,947	71.3%	5,732	68.3%
Between 150 and 300 sq.m	1,487	19.6%	1,779	21.4%	1,978	23.7%	2,051	24.4%
Larger than 300 sq.m	200	2.6%	255	3.1%	418	5.0%	612	7.3%
Total	7,605	100.0%	8,302	100.0%	8,343	100.0%	8,395	100.0%

2. Continuous Development of Our Membership Program

In the past year, we have further enhanced our engagement with consumers through additional membership benefits. Both our cumulative number of enrolled members and the total in-store retail sales value (inclusive of VAT) contributed by members have steadily increased. As of 29 February 2020, our cumulative number of enrolled members reached 27.2 million. During the quarters as of 30 November 2019 and 29 February 2020, 86.2% and 91.0% of the total in-store retail sales (inclusive of VAT) were contributed by our members, respectively for each quarter.

	As of				
	28 February	**31 May**	**31 August**	**30 November**	**29 February**
	2019	**2019**	**2019**	**2019**	**2020**
Cumulative number of our enrolled members	14.2	17.4	21.2	24.7	27.2
Total in-store retail sales value (inclusive of VAT) contributed by members for the quarter ended	52.3%	70.8%	81.4%	86.2%	91.0%

Unit: Million

We initiated more themed topics and story content which catered to and inspired consumers through our digital platforms. Meanwhile, we also continued adding different on-site experiences in our physical stores. During sports jersey drop events, we invited experienced jersey collectors to share their stories and knowledge about jerseys with the audience attending the launch. Prior to Lunar New Year, we invited traditional Chinese artists, fashion buyers and other various specialists to discuss their ideal New Year designs, in order to inspire consumers for their Lunar New Year shopping.

The continued expansion of our membership program not only helps us serve our consumers in more ways and across a wider range, but also functions as a key for us to continue to enhance and refine our insights of each consumers' preferences.

3. Accelerated the Pace of Digital Transformation

During the financial year ended 29 February 2020, we continued to accelerate the pace of digital transformation.

We maintained our focus on the implementation of technology-enabled initiatives in our business operations. Over the long term, we have accumulated vast experience and industry know-how related to operating in China's sportswear retail sector. We improved our retail operational efficiency by leveraging new technology to empower our staff management, product merchandising and store operations. For example, mobile digital toolkits empower our front-line employees by reducing their operational burden and enabling them to adjust operations in real time; meanwhile, our store-level smart technologies allow us to systematically collect and analyze data accessible through our vast network of directly-operated stores, providing us with consumer insights to adjust product portfolio and display; digitalized procurement and merchandise management systems assist in automatically creating base line purchase orders that are tailored to each store.

At the same time, we continued to expand our connections with consumers across multiple occasions through digital approaches. We initiated more themed topics and content sharing, as well as new live streaming formats through our store-based digital social communities, which deepened our continuous engagement with consumers outside of physical store boundaries. We also systematically enhanced our application of store-level mini-programs and mobile payment apart from the existing e-commerce platforms. We aim to provide more targeted services to satisfy diverse consumer needs.

The outbreak of the COVID-19 in early 2020 has led to a rapid shift in the major consumption settings of sportswear products from physical to digital channels. In response, we accelerated the application of our digital tools which we've already developed in prior periods. We rapidly promoted the launch of store-level mini-programs and mobile payment in the physical stores and established the inventory sharing function to assist stores in inventory management, so as to ensure the supply of products and reduce inventory risks.

Digital transformation helps us to explore how we can leverage our ability to enhance the service offerings of our single store, while offering more possibilities to broaden and deepen our connection with consumers. It allows our services to reach out beyond the physical boundaries of our existing physical stores so that we can continue to reach and serve our broad consumer base in a high quality and efficient manner.

4. Strategically Respond to Risks and Capture Opportunities Arising from the Outbreak of COVID-19

The sudden and unpredictable outbreak of COVID-19 is a stress test for both the industry and the Company, as well as a thorough assessment of our retail operation capability. With years of market experience and forward-looking preparation in respect of expansion to the digital realm, the Company made proactive and fast-paced adjustments, looked for opportunities in the face of risks and challenges, and strove to cope with changes, in order to provide consumers with a better experience. The major initiatives adopted are as follows:

- Launched the emergency response initiative rapidly and prioritized the health and safety of all employees;
- As consumers preferred to shop digitally, the Company reorganized the method by which the "staff", the "product" and the "store" linked with one-another to create an effective resource allocation mechanism;
- Leveraged the existing network of directly-operated stores and broad membership base and engaged with consumers through various touch points outside physical store boundary by utilizing digital tools;
- Enhanced the inventory sharing across channels to reduce merchandizing risks;
- Emphasized on cash flow management to cope with cyclical and volatile changes in the industry.

OUTLOOK

Our growth measures mainly include:

- Accelerate our digital transformation
- Expand and continuously upgrade our store network
- Leverage omnipresent, multi-occasional digital connections to engage with consumers
- Expand our brand offerings and deepen cooperation with brand partners
- Further enrich our customer-centric platform offering

FINANCIAL REVIEW

For the year ended 29 February 2020, the Group recorded revenue of RMB33,690.2 million, an increase of 3.5% compared with that of the year ended 28 February 2019. The Group recorded operating profit of RMB3,302.9 million, an increase of 2.0% compared with that of the year ended 28 February 2019. The profit attributable to the Company's equity holders during the year amounted to RMB2,303.4 million, an increase of 4.7% compared with that of the year ended 28 February 2019.

For the year ended 29 February 2020, the Group recorded adjusted operating profit of RMB3,390.3 million, an increase of 3.3% compared with that of the year ended 28 February 2019. The adjusted operating profit is adjusted by adding back the effect of listing expenses of RMB51.8 million (2019: RMB10.0 million) and the amortization of intangible assets arising from business combination of RMB35.6 million (2019: RMB35.6 million).

For the year ended 29 February 2020, the Group recorded adjusted profit attributable to the Company's equity holders of RMB2,381.9 million, an increase of 6.5% compared with that of the year ended 28 February 2019. The adjusted profit attributable to the Company's equity holders is adjusted by adding back the effect of listing expenses of RMB51.8 million (2019: RMB10.0 million) and the amortization of intangible assets arising from business combination, net of deferred tax of RMB26.7 million (2019: RMB26.7 million).

REVENUE

The Group's revenue increased by 3.5%, from RMB32,564.4 million for the year ended 28 February 2019 to RMB33,690.2 million for the year ended 29 February 2020. The growth was mainly contributed by further enhancement of our store performance, growth in the gross selling area of the directly-operated stores, and higher revenue contributed by our wholesale operations; while the overall revenue growth was inevitably affected by the emergence of the Pandemic in early 2020.

The following table sets forth a breakdown of our revenue from sale of goods by brand categories, concessionaire fee income and e-Sports income for the year indicated:

	Year ended				
	29 February 2020		28 February 2019		
	Revenue	**% of total**	Revenue	% of total	Growth / (Drop) rate
Principal brands*	**29,489.5**	**87.5%**	28,253.4	86.8%	4.4%
Other brands*	**3,904.0**	**11.6%**	4,077.2	12.5%	(4.2%)
Concessionaire fee income	**266.3**	**0.8%**	233.8	0.7%	13.9%
e-Sports income	**30.4**	**0.1%**	-	-	N/A
Total	**33,690.2**	**100.0%**	32,564.4	100.0%	3.5%

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), Reebok, ASICS, Onitsuka Tiger and Skechers. Principal brands and other brands are classified according to the Group's relative revenue.*

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

	Year ended				
	29 February 2020		28 February 2019		
	Revenue	**% of total**	Revenue	% of total	Growth rate
Retail operations	**29,171.0**	**86.6%**	28,974.0	89.0%	0.7%
Wholesales operations	**4,222.5**	**12.5%**	3,356.6	10.3%	25.8%
Concessionaire fee income	**266.3**	**0.8%**	233.8	0.7%	13.9%
e-Sports income	**30.4**	**0.1%**	-	-	N/A
Total	**33,690.2**	**100.0%**	32,564.4	100.0%	3.5%

Unit: RMB million

PROFITABILITY

The Group's gross profit increased by 4.3% to RMB14,187.5 million for the year ended 29 February 2020. The Group's operating profit increased by 2.0% to RMB3,302.9 million for the year ended 29 February 2020. The profit attributable to the Company's equity holders increased by 4.7% to RMB2,303.4 million for the year ended 29 February 2020.

	Year ended		
	29 February 2020	28 February 2019	Growth rate
Revenue	**33,690.2**	32,564.4	3.5%
Cost of sales	**(19,502.7)**	(18,957.1)	2.9%
Gross Profit	**14,187.5**	13,607.3	4.3%
Gross profit margin	**42.1%**	41.8%	

Unit: RMB million

Cost of sales increased by 2.9% from RMB18,957.1 million for the year ended 28 February 2019 to RMB19,502.7 million for the year ended 29 February 2020. Gross profit increased by 4.3% to RMB14,187.5 million for the year ended 29 February 2020 from RMB13,607.3 million for the year ended 28 February 2019.

During the year, the gross profit margin of the Group was 42.1%, increased by 0.3 percentage points, from 41.8% for the year ended 28 February 2019.

Selling and distribution expenses for the year ended 29 February 2020 were RMB9,643.8 million (2019: RMB9,247.5 million), accounting for 28.6% of our revenue (2019: 28.4%). Our selling and distribution expenses primarily include concessionaire fee and lease expenses, depreciation of right-of-use assets in relation to our stores, sales personnel salaries and commissions, other depreciation and amortization charges, and other expenses which mainly include store operation expenses, property management fees, logistic expenses and online service fees.

General and administrative expenses for the year ended 29 February 2020 were RMB1,412.8 million (2019: RMB1,293.2 million), accounting for 4.2% of our revenue (2019: 4.0%). Our general and administrative expenses primarily include lease expenses in relation to our offices, management and administrative personnel salaries, depreciation and amortization charges, other tax expenses, other expenses and listing expenses. Increase in general and administrative expenses primarily due to the listing expenses of RMB51.8 million recorded during the year ended 29 February 2020 (2019: RMB10.0 million).

Finance income increased from RMB20.0 million for the year ended 28 February 2019 to RMB55.3 million for the year ended 29 February 2020. It was mainly due to increase in bank deposits during the year.

Finance costs increased from RMB211.5 million for the year ended 28 February 2019 to RMB272.1 million for the year ended 29 February 2020, primarily as a result of (i) an increase in interest expense on our lease liabilities, as our previously opened new stores under lease agreements resulted in higher lease liabilities; and (ii) an increase in interest expense on our short-term bank borrowings.

Income tax expense for the year ended 29 February 2020 amounted to RMB782.7 million (2019: RMB845.5 million). The effective income tax rate decreased by 2.4 percentage points to 25.4% for the year ended 29 February 2020 from 27.8% for the year ended 28 February 2019, primarily due to the fact that we provided withholding tax provision on the profits generated by our subsidiaries in the PRC based on our latest dividend policy of approximately 50% whereas full provision was provided for last year, resulting in a decrease in income tax expenses. The statutory income tax rate for the Group in the PRC is generally 25%.

OTHER INCOME

Other income for the year ended 29 February 2020 amounted to RMB191.1 million (2019: RMB203.9 million) mainly consists of government incentives.

CAPITAL EXPENDITURE

The Group's capital expenditures primarily comprised of expenditures for plant and equipment and intangible assets. For the year ended 29 February 2020, capital expenditure was RMB781.5 million (2019: RMB921.4 million).

NON-IFRS MEASURES

Our adjusted operating profit and adjusted profit attributable to the Company's equity holders are not calculated in accordance with IFRS, and they are considered as non-IFRS financial measures. We believe that this information is useful for investors in comparing our performance without regard to items that do not affect our ongoing operating performance or cash flow, and it allows investors to consider metrics used by our management in evaluating our performance. Investors should not consider our non-IFRS financial measure a substitute for or superior to our IFRS results.

The following table sets forth the reconciliations of our adjusted operating profit and adjusted profit attributable to the Company's equity holders for the years indicated:

	Year ended	
	29 February 2020	28 February 2019
Operating profit	**3,302.9**	3,236.8
Adding back:		
Listing expenses (1)	**51.8**	10.0
Amortization of intangible assets arising from business combination (2)	**35.6**	35.6
Non-IFRS Measure – Adjusted operating profit	**3,390.3**	3,282.4
Profit attributable to the Company's equity holders	**2,303.4**	2,199.8
Adding back:		
Listing expenses (1)	**51.8**	10.0
Amortization of intangible assets arising from business combination, net of deferred tax (2)	**26.7**	26.7
Non-IFRS Measure – Adjusted profit attributable to the Company's equity holders	**2,381.9**	2,236.5

Unit: RMB million

Non-IFRS Measure – Adjusted operating profit margin	**10.1%**	10.1%
Non-IFRS Measure – Adjusted profit margin attributable to the Company's equity holders	**7.1%**	6.9%

Notes:

(1) *We incurred RMB51.8 million of listing expenses for the year ended 29 February 2020 which were recognized as expenses (2019: RMB10.0 million).*

(2) *The amortization of our intangible assets arising from business combination is an adjustment item that is non-cash in nature. Our intangible assets arising from business combination are expected to be fully amortized by March 2020.*

BASIC AND DILUTED EARNINGS PER SHARE AND ADJUSTED EARNINGS PER SHARE

Basic and diluted earnings per share for the year ended 29 February 2020 decreased by 2.0% to RMB40.88 cents from RMB41.73 cents for the year ended 28 February 2019.

Basic earnings per share is calculated by dividing profit attributable to the Company's equity holders of RMB2,303.4 million for the year ended 29 February 2020 (2019: RMB2,199.8 million) by the weighted average number of ordinary shares of the Company in issue of 5,634,470,570 shares (2019: 5,271,038,024 shares). The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share has been retrospectively adjusted for the effect of the Capitalization Issue. 930,184,000 new shares issued pursuant to the Global offering of the Company was only accounted for in the calculation of the basic and diluted earnings per share from 10 October 2019.

As if these new shares been issued throughout the years since 1 March 2018, our adjusted earnings per share, for illustrative purpose, would be as follows:

		Year ended	
		29 February 2020	28 February 2019
Profit attributable to the Company's equity holders	*RMB million*	**2,303.4**	2,199.8
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	*thousand of shares*	**5,634,471**	5,271,038
As if 930,184,000 new shares have been issued throughout the year	*thousand of shares*	**566,751**	930,184
	thousand of shares	**6,201,222**	6,201,222
Adjusted basic and diluted earnings per share, for illustrative purpose	*RMB cents*	**37.14**	35.47

LIQUIDITY AND FINANCIAL RESOURCES

During the year, net cash generated from operations increased by RMB2,883.9 million to RMB6,975.6 million for the year ended 29 February 2020 from RMB4,091.7 million for the year ended 28 February 2019.

Net cash used in investing activities for the year ended 29 February 2020 was RMB4,296.8 million (2019: RMB982.5 million). During the year, the Group invested RMB3,594.7 million on placement of pledged term deposits under the cross-border cash pooling arrangement, RMB711.9 million on payments for purchases of property, plant and equipment and intangible assets and RMB21.4 million on payments for acquisition of a business, partly offset by proceeds from disposals of property, plant and equipment of RMB9.6 million and interest received of RMB21.6 million.

During the year, net cash generated from financing activities was RMB275.8 million (2019: used in RMB1,776.8 million), mainly attributable to the payments for lease liabilities (including interest) of RMB1,895.4 million, payments of the 2018/19 dividend of RMB1,864.7 million, 2019/20 interim dividend of RMB744.1 million and changes in balances with related companies of RMB3,507.2 million, partly offset by net proceeds from borrowings of RMB1,300.0 million and proceeds from issuance of ordinary shares of RMB7,075.5 million by the Group during the year.

As at 29 February 2020, the Group held bank balances and cash totaling RMB2,823.9 million, after netting off the short-term bank loans and overdrafts of RMB2,400.0 million, it was in a net cash position of RMB423.9 million. As at 28 February 2019, the Group held bank balances and cash totaling RMB650.5 million, after netting off the short-term bank loans and overdrafts of RMB1,300.0 million, it was in a net debt position of RMB649.5 million.

PLEDGE OF ASSETS

As at 29 February 2020, term deposits of RMB3,594.7 million were pledged for short-term borrowings of RMB2,000.0 million drawn under a cross-border cash pooling arrangement operating among certain subsidiaries within the Group.

CONTINGENT LIABILITIES

As at 29 February 2020, the Group had no material contingent liabilities.

HUMAN RESOURCES

As at 29 February 2020, the Group had a total of 35,773 employees (2019: 38,613 employees). For the year ended 29 February 2020, total staff cost was RMB3,310.5 million (2019: RMB3,167.2 million), accounting for 9.8% (2019: 9.7%) 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.

GENERAL INFORMATION

PROPOSED FINAL DIVIDEND

The Board recommended the payment of a final dividend for the year ended 29 February 2020 of RMB7.00 cents per ordinary share (2019: Nil), totaling RMB434.1 million (2019: Nil).

The actual exchange rate for the purpose of dividend payment in Hong Kong dollars is the offshore exchange rate (Buying TT) of RMB against Hong Kong dollars (RMB1.00 = HK$1.0730) as quoted by the Hong Kong Association of Banks on Monday, 25 May 2020, being the date on which the final dividend is recommended by the Board. Accordingly, the amount of the final dividend is HK$7.51 cents per ordinary share.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company ("AGM") will be held on Monday, 20 July 2020. The notice of AGM will be sent to shareholders on Wednesday, 17 June 2020.

The register of members of the Company will be closed as follows:

(a) For the purpose of ascertaining shareholder's eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 15 July 2020 to Friday, 17 July 2020, both days inclusive. To be eligible to attend and vote at the annual general meeting, all properly completed transfer forms 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 no later than 4:30 p.m. on Tuesday, 14 July 2020.

(b) The final dividend will be payable on or about Wednesday, 12 August 2020 to the shareholders whose names appear on the register of members of the Company on Wednesday, 29 July 2020. For the purpose of ascertaining shareholder's eligibility for the final dividend, the register of members of the Company will be closed from Monday, 27 July 2020 to Wednesday, 29 July 2020, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the above mentioned final 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 Friday, 24 July 2020.

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.

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 14 to the Listing Rules (the "**CG Code**"), and the Company has adopted the CG Code as its own corporate governance code. The CG Code has been applicable to the Company since the shares of the Company were listed on the Main Board of the Stock Exchange on 10 October 2019 (the "**Listing Date**").

Code Provision A.5.1

Under the code provision A.5.1 of the CG Code, the nomination committee shall be chaired by the chairman of the Board or an independent non-executive director. Currently, Mr. YU Wu, an Executive Director of the Company, serves as the chairman of the Nomination Committee. Given Mr. YU is the sole Executive Director of the Company who is responsible for the day-to-day management and operations of the Group and his extensive expertise and insight to sportswear industry, the Board considered that Mr. YU is the suitable candidate for the chairmanship of the Nomination Committee. Besides, in consideration of the size of the Group, the appointment and removal of directors were determined collectively by the Board. The Board is empowered under the articles of association of the Company to appoint any person as a director either to fill a casual vacancy on or as an addition to the Board. The Board will select and recommend candidates for directorship and senior management having regard to the balance of skills, experience and qualifications appropriate to the Group's business.

The Board is of the view that the Company has complied with all applicable code provisions as set out in the CG Code during the period from the Listing Date to 29 February 2020, save for code provision A.5.1 of the CG Code as disclosed above.

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 10 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 from the Listing Date and up to the date of this announcement.

AUDIT COMMITTEE

The Board has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of our Group, review the financial information of our 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 and the external auditor have reviewed the audited consolidated financial statements of the Group for the year ended 29 February 2020. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and its internal controls and financial reporting matters.

SCOPE OF WORK OF THE AUDITOR ON THIS RESULTS ANNOUNCEMNET

The figures in respect of the Group's consolidated balance sheet, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and the related notes thereto for the year ended 29 February 2020 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement

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

From the Listing Date and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

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

USE OF PROCEEDS FROM THE COMPANY'S GLOBAL OFFERING

The net proceeds (the "**Net Proceeds**") from the initial public offering of the shares of the Company in October 2019, after deducting the underwriting fees and commissions and other estimated related expenses, of HK$7,689.0 million are and will be utilized as stated in the Company's Prospectus.

Intended use of Net Proceeds as stated in the Prospectus	**Net Proceeds** *HKD million*	**For the year ended 29 February 2020 Utilized amount** *HKD million*	**As at 29 February 2020 Unutilized amount** *HKD million*
Investing in technology initiatives to accelerate the digital transformation of the business	800.0	129.0	671.0
Repaying outstanding amounts due to Belle International Holdings Limited and fellow subsidiaries	3,717.4	3,717.4	-
Repaying our short-term bank borrowings	2,210.5	2,210.5	-
Working capital and other general corporate purposes	538.2	538.2	-
Settlement of dividend payable	422.9	300.0	122.9
Total(1)	7,689.0	6,895.1	793.9

Note:

(1) The total amount of net proceeds increased from HK$7,622.1 million (as stated in the interim report 2019/20 issued on 23 October 2019) to HK$7,689.0 million as the final listing expenses is less than expected.

By order of the Board
Topsports International Holdings Limited
YU Wu
CEO & Executive Director

Hong Kong, 25 May 2020

As at the date of this announcement, the Board of Directors of the Company comprises Mr. YU Wu as Executive Director and Mr. SHENG Baijiao, Mr. SHENG Fang, Mr. CHOW Kyan Mervyn, Ms. YUNG Josephine Yuen Ching and Ms. HU Xiaoling as Non-executive Directors, Mr. LAM Yiu Kin, Mr. HUA Bin and Mr. HUANG Victor as Independent Non-executive Directors.

This annual results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.topsports.com.cn), respectively. The annual report of the Company will be dispatched to the Shareholders in due course, and will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company, respectively.