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Cosmo Lady (China) Holdings Company Limited
都市麗人(中國)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2298)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

		For the year ended 31 December	
		2025	2024
Revenue	*RMB'000*	**2,954,149**	3,010,130
Intimate wear products	*RMB'000*	**137,746**	88,961
Industrial projects and logistic	*RMB'000*	**33,839**	122,055
Segment results	*RMB'000*	**171,585**	211,016
Profit attributable to owners of the Company	*RMB'000*	**123,410**	126,157
Earnings per share			
– Basic	*RMB cents*	**5.7**	5.8
– Diluted	*RMB cents*	**5.5**	5.7
Final dividend per share	*HK cents*	**1.6**	0.5

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Cosmo Lady (China) Holdings Company Limited (the "**Company**") announced the annual results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2025, together with comparative figures for 2024 and selected explanatory notes, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	**2025** ***RMB'000***	2024 *RMB'000*
Revenue	4	**2,954,149**	3,010,130
Cost of sales		**(1,571,804)**	(1,634,463)
Gross profit		**1,382,345**	1,375,667
Selling and marketing expenses		**(1,079,580)**	(1,019,925)
General and administrative expenses		**(159,934)**	(184,383)
Net impairment losses on financial assets		**(17,463)**	(8,688)
Other income	5	**17,704**	25,502
Other gains – net	5	**2,987**	793
Operating profit		**146,059**	188,966
Finance income	6	**4,132**	7,378
Finance expenses	6	**(23,117)**	(27,218)
Finance expenses – net		**(18,985)**	(19,840)
Share of profit/(loss) of joint ventures – net		**7,053**	(823)
Profit before income tax	7	**134,127**	168,303
Income tax expense	8	**(23,541)**	(52,946)
Profit for the year		**110,586**	115,357
Other comprehensive income/(loss) for the year			
Item that may be reclassified subsequently to profit or loss			
– Exchange differences		**(827)**	1,856
Item that will not be reclassified to profit or loss			
– Changes in the fair value of investment properties transferred from property, plant and equipment, net of tax		**3,440**	–
– Changes in the fair value of equity investments at fair value through other comprehensive		**(8,405)**	(3,450)
Other comprehensive loss for the year, net of tax		**(5,792)**	(1,594)
Total comprehensive income for the year		**104,794**	113,763

	Notes	**2025** ***RMB'000***	2024 *RMB'000*
Profit/(loss) attributable to:			
Owners of the Company		**123,410**	126,157
Non-controlling interests		**(12,824)**	(10,800)
		110,586	115,357
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**117,618**	124,563
Non-controlling interests		**(12,824)**	(10,800)
		104,794	113,763
		RMB cents	*RMB cents*
Earnings per share attributable to owners of the Company during the year:			
Basic	9	**5.7**	5.8
Diluted	9	**5.5**	5.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Note	**2025**	2024
		RMB'000	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**581,436**	765,361
Investment properties		**164,680**	–
Right-of-use assets		**273,497**	310,891
Intangible assets		**23,520**	27,742
Investments in joint ventures		**37,796**	72,782
Financial assets at fair value through other comprehensive income		**12,275**	18,197
Deposits, prepayments and other receivables		**19,882**	23,832
Deferred income tax assets		**95,440**	113,292
		1,208,526	1,332,097
Current assets			
Inventories		**606,992**	672,698
Completed properties held for sale		**21,993**	130,716
Trade and notes receivables	11	**566,121**	385,245
Deposits, prepayments and other receivables		**596,627**	554,181
Restricted bank deposits		**49,688**	84,107
Cash and cash equivalents		**564,452**	537,764
		2,405,873	2,364,711
Total assets		**3,614,399**	3,696,808

	Note	2025 *RMB'000*	2024 *RMB'000*
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**140,312**	140,312
Share premium		**1,623,376**	1,633,846
Shares held for share award scheme		**(59,550)**	(59,550)
Other reserves		**423,553**	426,211
Retained profits/(accumulated losses)		**15,063**	(107,829)
		2,142,754	2,032,990
Non-controlling interests		**(24,747)**	(11,627)
Total equity		**2,118,007**	2,021,363
LIABILITIES			
Current liabilities			
Trade and notes payables	12	**417,805**	523,473
Accruals and other payables		**357,057**	449,591
Tax payables		**49,554**	44,636
Borrowings		**142,900**	304,380
Lease liabilities		**132,310**	143,193
Deferred income		**3**	113
		1,099,629	1,465,386
Non-current liabilities			
Borrowings		**304,700**	91,250
Lease liabilities		**92,063**	118,809
		396,763	210,059
Total liabilities		**1,496,392**	1,675,445
Total equity and liabilities		**3,614,399**	3,696,808

NOTES:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 28 January 2014 as an exempted company with limited liability under the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. The Group is principally engaged in the designing, marketing and selling of intimate wear products, development of industrial projects and provision of logistic services in the People's Republic of China (the "**PRC**"). The Company's ordinary shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 26 June 2014.

Harmonious Composition Investment Holdings Limited, a company incorporated in the British Virgin Islands (the "**BVI**"), is the immediate holding company of the Company. In the opinion of the Company's directors, Yao Li Investment Holdings Limited, a company incorporated in the BVI with limited liability and controlled by Mr. Zheng Yaonan, is the ultimate holding company of the Company.

The consolidated financial statements have been approved for issue by the Board on 27 March 2026.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income, and investment properties which have been measured at fair value. The consolidated financial statements are presented in Renminbi ("**RMB**"), and all values are rounded to the nearest thousand ("**RMB'000**") except when otherwise indicated.

The preparation of the financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Changes in accounting policies

The Group has adopted the following amended IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IAS 21	*Lack of Exchangeability*

The nature and impact of the amended IFRS Accounting Standards that are applicable to the Group are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's consolidated financial information.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

Intimate wear products segment	–	Designing, marketing and selling of intimate wear products
Industrial projects and logistic segment	–	Development of industrial projects and provision of logistic services

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that interest income, finance expenses as well as head office and corporate income and expenses are excluded from such measurement.

No assets and liabilities are included in the measures of the Group's segment reporting that are used by the management for performance assessment and resource allocation. Accordingly, no segment assets and liabilities are presented.

The Group's revenue from external customers was derived solely from its operations in the PRC and the non-current assets of the Group were located in the PRC as at 31 December 2025 and 2024.

None of the revenue derived from any single external customer amounted to 10% or more of the Group's revenue for the year ended 31 December 2025 (2024: None).

Information regarding the reportable segments is presented below.

	Intimate wear products		**Industrial projects and logistic**		**Total**	
	2025	2024	**2025**	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Segment revenue						
Revenue from external customers	**2,658,864**	2,554,880	**295,285**	455,250	**2,954,149**	3,010,130
Intersegment sales	**–**	–	**119,519**	117,149	**119,519**	117,149
Total segment revenue	**2,658,864**	2,554,880	**414,804**	572,399	**3,073,668**	3,127,279
Reconciliation:						
Elimination of intersegment sales					**(119,519)**	(117,149)
Total revenue					**2,954,149**	3,010,130

	Intimate wear products		Industrial projects and logistic		Total	
	2025	2024	**2025**	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Segment gross profit	**1,300,039**	1,209,067	**82,306**	166,600	**1,382,345**	1,375,667
Segment results before impairment losses on financial assets	**155,209**	97,649	**33,839**	122,055	**189,048**	219,704
Net impairment losses on financial assets	**(17,463)**	(8,688)	**–**	–	**(17,463)**	(8,688)
Segment results	**137,746**	88,961	**33,839**	122,055	**171,585**	211,016
Reconciliation:						
Interest income					**4,132**	7,378
Unallocated gains – net					**9,130**	2,900
Corporate and other unallocated expenses					**(38,321)**	(37,929)
Interest expenses on bank borrowings					**(12,399)**	(15,062)
Profit before income tax					**134,127**	168,303

4. REVENUE

Analysis of the Group's revenue is as follows:

	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Offline sales	**2,266,203**	2,144,111
E-commerce	**392,661**	410,769
Logistic income	**99,216**	132,481
Sales of properties from industrial projects	**185,030**	322,769
	2,943,110	3,010,130
Revenue from other sources		
Gross rental income from investment properties	**11,039**	–
	2,954,149	3,010,130

5. OTHER INCOME AND OTHER GAINS – NET

	2025	2024
	RMB'000	*RMB'000*
An analysis of the Group's other income is as follows:		
Government grants *(Note)*	**2,694**	1,507
Dividends from financial assets at fair value through other comprehensive income	**–**	1,999
Investment income from financial assets at fair value through profit or loss	**2,077**	3,723
Others	**12,933**	18,273
	17,704	25,502

Note: These mainly represented grants received from various local governments in the PRC. There are no unfulfilled conditions or contingencies relating to these grants.

	2025	2024
	RMB'000	*RMB'000*
An analysis of the Group's other gains/(losses) – net is as follows:		
Net foreign exchange losses	**(942)**	(274)
Fair value losses on investment properties	**(981)**	–
Gains on disposal of property, plant and equipment – net	**4,910**	1,067
	2,987	793

6. FINANCE INCOME AND EXPENSES

	2025	2024
	RMB'000	*RMB'000*
Finance income		
Interest income on short-term bank deposits	**4,132**	7,378
	4,132	7,378
Finance expenses		
Interest expenses on bank borrowings	**(12,399)**	(15,062)
Interest expenses on lease liabilities	**(10,718)**	(12,156)
	(23,117)	(27,218)
	(18,985)	(19,840)

7. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is arrived at after charging/(crediting):

	2025	2024
	RMB'000	*RMB'000*
Costs of inventories sold	**1,358,825**	1,319,731
Cost of services rendered	**109,955**	135,163
Cost of properties sold	**103,024**	179,569
Depreciation and amortisation		
– Right-of-use assets	**203,847**	209,077
– Property, plant and equipment	**80,763**	68,454
– Intangible assets	**6,900**	6,910
Expenses relating to short-term leases	**19,330**	22,366
Leasing expenses in respect of stores under cooperative arrangements	**404,402**	338,473
Auditor's remuneration	**3,200**	3,200
Employee benefit expense (including directors' emoluments)	**268,475**	276,038
Provision for inventories – net	**47,961**	12,671
(Reversal)/provision of impairment of right-of-use assets	**(6,931)**	6,752

8. INCOME TAX EXPENSE

	2025	2024
	RMB'000	*RMB'000*
Current income tax		
– PRC corporate income tax *(Note (b))*	**1,145**	6,565
– PRC land appreciation tax ("**LAT**") *(Note (c))*	**5,403**	33,704
	6,548	40,269
Deferred income tax		
– Deferred income tax	**16,993**	12,677
Income tax expense	**23,541**	52,946

Notes:

(a) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the current and the prior years.

(b) PRC corporate income tax

The Company's subsidiary, Cosmo Lady Guangdong Holdings Limited ("**Cosmo Lady Guangdong**") was given the preferential corporate income tax at 15% under the High and New Technology Enterprises ("**HNTE**") in December 2024, which is effective for 3 years from 2024 to 2027. The Group's other subsidiaries in the PRC are subject to PRC corporate income tax at the rate of 25% for the year ended 31 December 2025 (2024: 25%) on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

(c) PRC land appreciation tax

The Group is subject to LAT in the PRC. The provision for LAT is based on management's best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculation and payments with the tax authorities for certain of its property development projects. The final outcome could be different from the amounts that were initially recorded.

(d) Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The Company's direct subsidiary in the BVI was incorporated under the International Business Companies Act of the BVI and, accordingly, is exempted from BVI income tax.

9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

The calculations of basic and diluted earnings per share are based on:

	2025	2024
Profit for the year attributable to owners of the Company *(RMB'000)*	**123,410**	126,157
Weighted average number of ordinary shares for the purposes of basic earnings per share *(thousands of shares)*	**2,179,354**	2,177,311
Effect of dilution – weighted average number of ordinary shares:		
share award scheme *(thousands of shares)*	**51,604**	45,026
share option scheme *(thousands of shares)*	**985**	–
Number of shares used in diluted earnings per share calculation *(thousands of shares)*	**2,231,943**	2,222,337

Note: The weighted average number of ordinary shares for the purpose of basic earnings per share for the years ended 31 December 2025 and 2024 has been adjusted for the effects of purchase and withholding of ordinary shares of the Company for the share award scheme during the years ended 31 December 2025 and 2024, respectively, while the certain share options outstanding during the year ended 31 December 2025 had no dilutive effect on the diluted earnings per share amount presented.

10. DIVIDENDS

At a meeting held on 27 March 2026, the Board recommended a final dividend of HK1.6 cents (2024: HK0.5 cents) per ordinary share of the Company, totaling approximately HK$35,991,000 (2024: HK$11,247,000) for the year ended 31 December 2025. This proposed dividend is not reflected as a dividend payable in the consolidated financial statements for the year ended 31 December 2025, but will be reflected as an appropriation for the year ending 31 December 2026. The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

At a meeting held on 29 August 2025, the Board did not recommend the payment of interim dividend for the six months ended 30 June 2025 (2024: HK1.1 cents per ordinary share of the Company, totaling approximately HK$24,744,000).

11. TRADE AND NOTES RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Trade receivables		
– Due from third parties	**591,909**	401,417
Notes receivables	**146**	267
Less: loss allowance	**(25,934)**	(16,439)
Trade and notes receivables – net	**566,121**	385,245

(a) As at 31 December 2025, the carrying amounts of the trade receivables of the Group approximate their fair values and are all denominated in RMB.

(b) The Group's trade receivables are primarily derived from sales to certain franchise customers with an appropriate credit history. The Group generally grants franchise customers with a credit period of 15 to 90 days from the invoice date. The Group also gives franchise customers a credit period of 90 to 180 days for their first order of products for new retail stores. The Group would also extend the credit period for certain franchise customers under certain circumstances. The ageing analysis of trade receivables based on invoice date, as at 31 December 2025 is as follows:

	2025	2024
	RMB'000	*RMB'000*
Trade receivables, gross		
– Within 30 days	**247,157**	157,275
– Over 30 days and within 60 days	**128,505**	44,861
– Over 60 days and within 90 days	**78,823**	94,702
– Over 90 days and within 180 days	**51,564**	44,192
– Over 180 days and within 360 days	**61,018**	48,501
– Over 360 days	**24,842**	11,886
	591,909	401,417

12. TRADE AND NOTES PAYABLES

	2025	2024
	RMB'000	*RMB'000*
Trade payables		
– Due to third parties	**313,434**	398,564
– Due to related parties	**5,581**	5,544
	319,015	404,108
Notes payables	**98,790**	119,365
	417,805	523,473

As at 31 December 2025, trade payables of the Group are non-interest bearing, and their fair values approximate their carrying amounts due to their short maturities.

As at 31 December 2025, trade payables are denominated in RMB. The aging analysis of trade payables based on invoice dates, as at 31 December 2025 is as follows:

	2025	2024
	RMB'000	*RMB'000*
Trade payables		
– Within 30 days	**38,938**	43,302
– Over 30 days and within 60 days	**59,776**	38,016
– Over 60 days and within 90 days	**88,029**	100,054
– Over 90 days and within 180 days	**122,940**	191,386
– Over 180 days and within 360 days	**6,039**	19,748
– Over 360 days	**3,293**	11,602
	319,015	404,108

BUSINESS REVIEW

In 2025, the global economic landscape remained complex and volatile, with geopolitical tensions continuing to escalate as the international order undergoes a critical phase of restructuring. Meanwhile, China's consumer market gradually returned to a "value-for-money" orientation amidst challenges. In response to the new industry norm of shifting from scale expansion to value cultivation, Cosmo Lady steadily advanced its strategy of providing "high-quality and affordable national intimate wear". During the year, we leveraged internal momentum to address external uncertainties, reshaped market perception through a brand strategy targeting younger consumers, and stimulated market demand with a product matrix for best-sellers. We achieved steady progress in various areas, including e-commerce expansion, channel upgrades, and new business incubation, allowing the Group to maintain its market-leading position in China's women's intimate wear sales for eight consecutive years.

During the year, the Group achieved breakthrough progress in various core areas, including product upgrades, brand rejuvenation, channel distribution, supply chain optimization, and organizational transformation. Meanwhile, we gradually improved our retail network structure and continued to solidify the foundation of our business operations. These efforts have injected strong momentum into the Group's long-term development and opened up new avenues for growth.

I. Marketing Mix Strategies Driving Brand Rejuvenation

In 2025, we continued to advance our brand strategy targeting younger consumers, adhering to the principles of meticulous cultivation and refined operations. We achieved steady development through a pragmatic approach and deeply explored the value of our national brand.

In terms of brand promotion, the Group launched a series of marketing initiatives, including signing celebrity endorsements with Guli Nazha (古力娜扎) and Hou Minghao (侯明昊) to leverage their highly adaptable national influence and convey a new brand image. During the 9th Asian Winter Games 2025 in Harbin, we engaged short track speed skating world champions, namely Liu Shaolin and Liu Shaoang, to promote our "Black Gold Lightweight Down", further enhancing brand visibility. In addition, we engaged young consumers through diverse social and cultural activities, such as collaborating with Tsinghua University to host a music festival and partnering with Tmall and Vipshop to illuminate landmarks in Guangzhou. These efforts further expanded brand exposure and facilitated a transition from being a "national brand" to a "cultural benchmark", effectively reducing communication costs with the young customer base. The Group also placed advertisements at approximately 230 high-speed rail stations nationwide and on outdoor screens in core commercial districts of Beijing, Shanghai, Guangzhou, and Shenzhen. Through visual impact and contextual immersion, these displays continuously strengthened brand awareness, providing strong momentum for the brand's growth. The above mix strategies on marketing collectively enhanced Cosmo Lady's brand influence, further consolidating its position in the minds of young consumers.

II. Leapfrog Online Expansion: Building Strong Edge via Best-selling Product Co-creation

2025 was a year of transformative growth for the Group's e-commerce business. Our e-commerce gross merchandise value ("**GMV**") experienced significant growth from approximately RMB1.6 billion in 2024 to over RMB4.3 billion in 2025.

(i) Omnichannel growth driven by bestsellers:

During the year, Cosmo Lady collaborated with Nobel Prize laureates and authoritative scientific research experts to establish the Extreme Cold Fabric Research Center. Through innovation in patented technology, we launched the Airheat "Canadian Goose Down Thermal Clothes" series products, which has been highly received by the market.

(ii) Strong performance in online channels:

The Cosmo Lady brand recorded an e-commerce GMV of RMB3.23 billion, representing a year-on-year increase of approximately 270%. The Ordifen brand also delivered a solid performance with a GMV of RMB1.08 billion, representing a year-on-year increase of approximately 70%. During the key Double 11 promotion period, Cosmo Lady rose to the top five in the intimate wear category on Tmall, with our official flagship store ranking among the top fourteen single stores. Meanwhile, the brand strengthened its collaboration with Douyin, achieving leading transaction volume throughout the Double 11 event. Notably, our thermal products reached the top of the product rankings for the first time. These achievements underscore the Group's strong competitive advantages across key areas, including flagship product incubation, supply chain agility, and co-creation of best-selling products with platform partners.

III. Sub-brand Cotton Regions Expanding New Retail Opportunities and Filling Market Gaps

Cotton Regions has continued to develop new retail scenarios by creating a "family-oriented retail environment" that offers the Group new growth opportunities and fills existing business gaps. Over the past 4 years, Cotton Regions has achieved rapid breakthroughs in both performance and retail network. During the year, Cotton Regions recorded a revenue of approximately RMB150 million, representing a year-on-year increase of approximately 50%. Cotton Regions actively expanded its retail network, reaching approximately 150 stores during the year, enhancing the Group's presence in shopping malls in first- and second-tier cities.

IV. The Core Brand Cosmo Lady Focusing on Refined Operation and Improving Operational Efficiency

On the offline front, the core brand, namely Cosmo Lady, has successfully pivoted from an expansion driven strategy to focus on refined operations.

(i) Implementation of various effective measures to enhance store sales

Through initiatives such as the upgrade of 7S store image, membership activities, and marketing promotions, store performance has significantly improved. Meanwhile, through optimized merchandise operations and the B2B intelligent allocation system, inventory recorded a marked year-on-year decrease, leading to an overall enhancement in operational efficiency and quality. The Group also continued to strengthen membership management. By leveraging data analytics and precision marketing strategies, we drove growth in new members and increased repeated purchase rates. These initiatives have laid a solid foundation for the sustainable and stable development of the core brand Cosmo Lady.

(ii) Bestsellers Achieved Remarkable Results with Continuous R&D Innovation

We continued to focus on product research and development, achieving remarkable success with our bestseller strategy. In the 2025 Autumn/Winter season, we redefined the thermal intimate wear segment by launching the "Canadian Goose Down Thermal Clothes" through innovative scientific research, providing the market with a revolutionary combination of "lightweight, thin, and warm" experiences and establishing a benchmark position in the market. In the bra category, our "Push-Up Thin Cup", "Water Gloss Cup" and "Peach Cup" series nearly reached a 90% sell-through rate, demonstrating outstanding performance.

During the year, the Group filed a total of 561 patent applications and was honored with multiple awards at the Annual Top Ten Textile Innovation Awards and the BIDA Awards. Sustained investment in innovation provides robust support for the Group's product technology and its brand development strategy of "high-quality and affordable".

Outlook: Steady Development and Overseas Layout

Looking ahead to 2026, Cosmo Lady will maintain its strategic focus and adhere to the principle of seeking progress while maintaining stability.

For our core brand, we will adhere to a prudent development strategy. We will implement a diversified multichannel layout and gradually close underperforming stores, concentrating resources on enhancing the performance of our top-performing outlets. At the same time, the Group will improve overall store efficiency and consolidate its market share through strict new store procedures, refined membership operations and an O2O model.

In terms of e-commerce, we have set a target of achieving a GMV of RMB7 billion. The Group will continue to deepen collaboration with its suppliers, and persist in our bestseller co-creation strategy, particularly with items like the Autumn/Winter "Canadian Goose Down Thermal Clothes 2.0" version, while also expanding high-quality supply chain resources and strengthening efforts to incubate billion-level e-commerce affiliate clients.

For Cotton Regions, we will maintain a high-growth momentum. By strengthening our product matrix, optimizing operational management, and establishing model stores in urban areas, we aim to solidify the brand's leading position in the home and lifestyle category.

Furthermore, we have commenced our strategic layout in overseas markets and successively opened pilot stores in Vietnam. This marks the official commencement of Cosmo Lady's new chapter of internationalization.

On behalf of the Board, I would like to express my heartfelt gratitude to our consumers, partners, all employees, and shareholders for their continued trust and support. In 2026, Cosmo Lady will remain committed to our original vision of "high-quality and affordable". We will strengthen corporate governance standards by enhancing our brand image with more vitality and developing a more competitive product matrix, actively fulfill our corporate social responsibilities, and create greater value for our shareholders and stakeholders.

FINANCIAL REVIEW

Profit attributable to the owners of the Company and the segment results

Profit attributable to the owners of the Company for the year ended 31 December 2025 (the "**Year**") was approximately RMB123,410,000 (2024: RMB126,157,000), which decreased by approximately 2% as compared with that of the corresponding year in 2024. However, the results from the intimate wear products and industrial projects and logistic segments of the Group for the Year were approximately RMB137,746,000 (2024: RMB88,961,000) and approximately RMB33,839,000 (2024: RMB122,055,000), respectively, representing an increase of approximately 55% and a decrease of approximately 72%, respectively, as compared with that for the year ended 31 December 2024.

It was mainly due to (i) the Group's successful cooperation with its partners to expand its e-commerce business since last year, and effectively increased the market share of the Group's brands, with the gross merchandise value ("**GMV**") of approximately RMB4.2 billion (2024: RMB1.2 billion) transacted on the relevant e-commerce platforms that the Group established corporations with during the Year, from which the Group received service income of approximately RMB103.9 million during the Year (2024: RMB59.4 million), contributing to the continued improvement in performance of the intimate wear product segment; and (ii) during the Year, the Group primarily delivered the remaining units of the industrial projects of the Group located in Fenggang, Dongguan, Guangdong Province, the PRC (the "**Yuquan Project**"), with the number of units delivered significantly decreased as compared with that for the year ended 31 December 2024.

Revenue

The Group's revenue is mainly derived from sales of intimate wear products to the franchisees and to consumers through self-managed/cooperative stores and online sales platforms, development of industrial projects and provision of logistic services in the PRC. The breakdown of the revenue is as follows:

	Year ended 31 December			
	2025		2024	
	RMB'000	***%***	*RMB'000*	*%*
Intimate wear products:				
Offline sales	**2,266,203**	**76.7**	2,144,111	71.3
E-commerce	**392,661**	**13.3**	410,769	13.6
	2,658,864	**90.0**	2,554,880	84.9
Industrial projects and logistic:				
Logistic income	**110,255**	**3.7**	132,481	4.4
Industrial projects sales	**185,030**	**6.3**	322,769	10.7
	295,285	**10.0**	455,250	15.1
	2,954,149	**100.0**	3,010,130	100.0

During the Year, the changes in revenue of the Group were mainly driven by the following factors:

– In respect of the intimate wear products segment, the revenue growth during the Year was mainly attributed to the continuous expansion of the offline cooperative store network, which further drove the expansion of the retail business scale; and

– The decrease in revenue from industrial projects and logistics was due to the decrease in industrial projects sales. Since 2022, the Group has transformed the former old warehouses in Yuquan, the PRC, into the modern industrial and intelligent logistic warehousing industrial projects, which has been completed and approved by the relevant government authorities during 2024. During the Year, the Group mainly delivered the remaining units of the Yuquan Project. The number of units delivered decreased significantly as compared with that of the previous year, resulting in a corresponding decrease in related sales.

Gross profit margin

In 2025, the gross profit margin of the Group remained steady at approximately 46.8% as compared with that for the year ended 31 December 2024 (2024: 45.7%), in which the gross profit margin of intimate wear products also remained steady during the Year at approximately 48.9% as compared with that for the year ended 31 December 2024 (2024: 47.3%). The gross profit margin of industrial projects and logistic decreased to approximately 27.9% (2024: 36.6%) during the Year, which was mainly due to the decrease in sales from the industrial projects during the Year.

Selling and marketing expenses

Selling and marketing expenses primarily consist of employee benefit expenses, lease expenses in respect of stores under cooperative arrangements, marketing and promotion expenses, e-commerce platforms commission expenses, depreciation and amortisation and others.

The increase in selling and marketing expenses by about 5.8% for the year ended 31 December 2025 to approximately RMB1,079,580,000 (2024: RMB1,019,925,000) was mainly due to the continuous expansion of the offline cooperative store network, resulting in an increase in related operating expenses.

General and administrative expenses

General and administrative expenses primarily consist of employee benefit expenses, consulting service expenses, travelling expenses, depreciation and amortisation and others.

The decrease in general and administrative expenses by about 13.3% for the year ended 31 December 2025 to approximately RMB159,934,000 (2024: RMB184,383,000) was mainly attributable to the continuous and effective cost control measures implemented during the Year.

Finance expenses – net

Finance expenses – net represents financial expenses on bank borrowings and lease liabilities less interest income on bank deposits.

The decrease in finance expenses – net to approximately RMB18,985,000 in 2025 (2024: RMB19,840,000) was mainly due to the decrease in bank interest rates during the Year.

Income tax expense

As at 31 December 2025, the Group had fulfilled all its tax obligations and did not have any unresolved tax disputes.

The income tax expense during the Year decreased to approximately RMB23,541,000 (2024: RMB52,946,000). Such decrease was mainly due to the PRC land appreciation tax charges arising from the sales and profits from industrial projects during the Year decreased to approximately RMB5,403,000 (2024: RMB33,704,000).

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a strong and healthy financial position. As at 31 December 2025, the Group's restricted bank deposits and cash and cash equivalents amounted to approximately RMB614,140,000 (31 December 2024: RMB621,871,000) and borrowings amounted to approximately RMB447,600,000 (31 December 2024: RMB395,630,000). As at 31 December 2025, the current ratio was about 2.2 times (31 December 2024: 1.6 times).

As at 31 December 2025, the Group's gross gearing ratio, which was calculated on the basis of the amount of bank borrowings as a percentage of the total shareholders' equity, was approximately 21.1% (31 December 2024: 19.6%). The net gearing ratio, which was calculated on the basis of the amount of bank borrowings less restricted bank deposits and cash and cash equivalents as a percentage of the total shareholders' equity, was approximately negative 7.9% (31 December 2024: negative 11.2%). The financial ratios of the Group continued to be maintained at a healthy level.

As at 31 December 2025, the Group provided guarantees amounting to approximately RMB297,846,000 (2024: RMB250,023,000) to certain banks in respect of loans granted by banks for purchasers of the properties. The Group considers that in case of default in payments, the net realizable value of the related properties will be sufficient to cover the repayment of the outstanding loan principals together with the accrued interest and penalty.

FOREIGN CURRENCY RISK

Most of the Group's income, expenses and purchases of raw materials are denominated in Renminbi. The Group has never encountered any significant difficulties in obtaining sufficient foreign currencies for repatriation of profits declared by the subsidiaries in mainland China to the overseas holding companies.

CAPITAL EXPENDITURE ON PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the Year, the capital expenditure on property, plant and equipment and intangible assets of the Group amounted to approximately RMB63,667,000 (2024: RMB86,900,000), which was mainly used for decoration and renewal of stores.

PLEDGE OF ASSETS

As at 31 December 2025, the Group's restricted bank deposits, certain property, plant and equipment, investment properties and land use rights of approximately RMB617,342,000 (31 December 2024: RMB381,119,000) were pledged as securities for obtaining banking borrowings and notes payables.

HUMAN RESOURCES AND MANAGEMENT

The Group had approximately 1,800 full-time employees as at 31 December 2025 (31 December 2024: 2,200). The Group's remuneration package is determined with reference to the experience and qualifications of the individual employees and general market conditions. Bonus is linked to the Group's operating result as well as individual performance. The Company believes that the ability to recruit and retain experienced and skilled labour is crucial to the Group's growth and development. The Group provides training to its new employees to familiarise them with the working environment and work culture. The Group also provides on-the-job training to the employees, which aims at developing their skills so as to meet the strategic goals and customer requirements. In addition to providing the Group's staff with opportunities to receive on-the-job training, the Group strives to create a harmonious and warm working and living environment for the staff.

FINAL DIVIDENDS

The Board has recommended the payment of final dividend of HK1.6 cents (2024: HK0.5 cents) per share of the Company (the "**Share(s)**"), totaling approximately HK$35,991,000 (the "**Final Dividends**") for the year ended 31 December 2025 to be paid on Wednesday, 17 June 2026 to the shareholders of the Company whose names appear on the register of members of the Company on Monday, 8 June 2026, subject to the approval of shareholders at the annual general meeting of the Company to be held on Friday, 29 May 2026 (the "**2026 AGM**").

CLOSURE OF REGISTER OF MEMBERS

For determining shareholders' entitlement to attend and vote at the annual general meeting held on 29 May 2026, the register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026, both days inclusive, during which no transfer of the Shares shall be registered.

In order to be eligible to attend and vote at the 2026 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 22 May 2026 for registration.

The record date and time for entitlement to the Final Dividends are Monday, 8 June 2026 at 4:30 p.m.. The register of members of the Company will be closed from Thursday, 4 June 2026 to Monday, 8 June 2026, both days inclusive. In order to qualify for the Final Dividends, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at the above address, no later than 4:30 p.m. on Wednesday, 3 June 2026 for registration.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY OR SALE OF TREASURY SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities, nor sold any treasury shares of the Company during the year ended 31 December 2025.

CORPORATE GOVERNANCE PRACTICES

The Board considers that the Company has complied with all the applicable code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") throughout the year ended 31 December 2025, with the exception of Code Provision C.2.1.

According to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same person. The Company deviated from this provision from 30 November 2021 because Mr. Zheng Yaonan ("**Mr. Zheng**") performed both the roles of the chairman of the Board and the chief executive officer of the Company. Mr. Zheng, with the established market reputation in the intimate wear industry in China, is the founder of the Group and has extensive experience in business operations and management in general. Under the leadership of Mr. Zheng, the Board worked effectively and performed its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions were made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive directors on the Board offering advice in independent perspectives, the Board was therefore of the view that there were adequate safeguards in place to ensure sufficient balance of powers within the Board.

AUDIT COMMITTEE REVIEW AND SCOPE OF WORK OF THE COMPANY'S AUDITOR

The audit committee of the Board (the "**Audit Committee**") comprises three independent non-executive Directors, namely, Mr. Yau Chi Ming, Dr. Dai Yiyi and Dr. Lu Hong Te. Mr. Yau Chi Ming, who has appropriate professional qualifications as required by the Listing Rules, is the chairman of the Audit Committee.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters for the year ended 31 December 2025. The Audit Committee has also reviewed the audited consolidated annual results of the Group for the year ended 31 December 2025.

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2025 have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year as approved by the Board. The work performed by Ernst & Young 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 opinion or assurance conclusion has been expressed by Ernst & Young on the preliminary announcement.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the "**Model Code**") as the code of conduct regarding securities transactions by the Directors. Specific enquiry was made with all the Directors and all of the Directors confirmed that they have complied with the requirements set out in the Model Code during the year ended 31 December 2025.

SIGNIFICANT EVENTS AFTER REPORTING PERIOD

There was no significant event that occurred subsequent to 31 December 2025, being the end of the reporting period.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

This annual results announcement is published on the HKEXnews website at http://www.hkexnews.hk and on the Company's website at http://www.cosmo-lady.com.hk. The annual report for the year ended 31 December 2025 of the Company will be published on both of the aforesaid websites in due course.

By order of the Board
Cosmo Lady (China) Holdings Company Limited
Zheng Yaonan
Chairman

Hong Kong, 27 March 2026

As at the date of this announcement, the Board comprises Mr. Zheng Yaonan, Mr. Zhang Shengfeng, Ms. Wu Xiaoli, Mr. Xian Shunxiang and Mr. Zhu Hongbo as executive Directors; Mr. Lin Zonghong as non-executive Director; and Mr. Yau Chi Ming, Dr. Dai Yiyi and Dr. Lu Hong Te as independent non-executive Directors.